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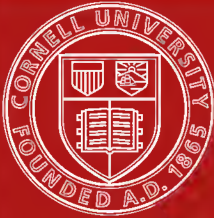

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THE LIFE

OF

GEORGE JOACHIM GOSCHEN

FIRST VISCOUNT GOSCHEN

VOL. II

Photo Elliott & Fry Walter L Colls Sc

Yours very truly
Goschen

THE LIFE OF

GEORGE JOACHIM GOSCHEN

FIRST VISCOUNT GOSCHEN

1831–1907

BY THE

HON. ARTHUR D. ELLIOT

WITH PORTRAITS

IN TWO VOLUMES

VOL. II

LONGMANS, GREEN, AND CO.
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LIFE OF LORD GOSCHEN

CHAPTER I

HOME RULE AND THE NEW PARLIAMENT

AT the General Election of 1885 the whole Irish Nationalist vote had been thrown, so far, that is, as Mr. Parnell and his colleagues could effect it, upon the Conservative side. No Liberal candidate could escape their ban, from which, however, were especially exempted Mr. Labouchere, Mr. Joseph Cowen and Mr. Thompson, member for Durham, three members who had always voted in the previous House of Commons with the Nationalist band. On the platform, Liberal candidates had not, as a rule, said much on the Home Rule question. They had denounced parliamentary obstruction. They had denounced Irish lawlessness, and the tyranny of the Land League; and for the most part their speeches had cordially responded to the spirit of Mr. Gladstone's call to the country to give him such a Liberal majority as would render him independent of the support of Mr. Parnell. The 'Hawarden Kite,' which took the great mass of the Liberal Party entirely by surprise, did not much

astonish, though it very greatly troubled, those who were intimate with the Liberal Chief. The letters of that autumn from Lord Hartington to Goschen show that, independently of Home Rule, his confidence in his old leader to resist pressure to advance much farther than he (Gladstone) wished in a Radical direction, and farther than he (Lord Hartington) would consent to go, was greatly diminished. Lord Hartington was now openly throwing all his weight on the side of Moderate Liberals, who (he writes to Goschen on September 20) have no longer, after his own and Goschen's recent speeches, the right to complain that they are abandoned to the leadership of the most extreme members of the Party.

'I think,' he goes on, 'that Mr. Gladstone's manifesto on the whole bears out the character which I had heard of it, and leans to the side of moderation. Even about Ireland —though knowing his real opinions I can read between the lines—there does not seem to be anything alarming. I must admit however that it seems to me to be rather a weak production, and if it was not that the party are ready to take anything from him, I think it would fall rather flat. Chamberlain's last speeches are, I think, very able, and he has the advantage over us of greater definiteness in his programme. . . .'

On December 6, after referring to what seemed to him to be 'the most inextricable mess into which any unfortunate country ever got itself (though Mr. Gladstone and Harcourt appeared to be as pleased as possible),' he goes on to refer to rumours in the *Times* and elsewhere that Lord Salisbury was about to make overtures to the Moderate Liberals.

'I do not think that anything in the nature of a coalition could be entertained, but I am not at all sure whether some promise of independent support to the Government, if it

discards the Parnell alliance, would be out of the question. It would of course be necessary first to ascertain what line Mr. Gladstone intends to take; but if it is as I expect one of strong hostility to the Government whatever their policy may be, I think it is a question whether they should not be supported. A Liberal Government seems nearly an impossibility at present. I expect that Mr. Gladstone has ideas about Ireland that neither you nor I could agree to. Chamberlain has evidently no intention of making things easy for a Liberal Government and after his abominable speech on Thursday, I confess I should have great difficulty in sitting in the same Cabinet with him. Harcourt who is in one of his most offensive humours thinks that the Government will try to go on with the Parnellite alliance, and is looking forward to their discrediting themselves for ever in the country. I don't expect they will do anything of the sort. I anticipate that they will first make overtures to us, and then when they are refused either resign or wait till they are beaten. . . .'

No one was following the political events of the autumn and winter with more anxious interest than the Queen. Hardly anyone was so well acquainted with the real sentiments, character and ambitions of the prominent English statesmen of that day. In December, at the express wish of Lord Salisbury, the Prime Minister, the Queen had put herself into communication with Mr. Goschen through Sir Henry Ponsonby, and a long correspondence subsequently took place directly between them. Her Majesty's letters show the great reliance she placed on the patriotism and wisdom of Mr. Goschen. They were, of course, written in the strictest confidence, as were his in reply; but it is no secret that, desiring, as any sovereign of England must do, to mitigate the bitterness and antagonism of Party strife, the Queen eagerly

hoped for a junction of forces on a broad national basis between the more moderate politicians of each side, whom hitherto the jarring interests of Party, rather than any deep difference of political principles, had kept apart. The letters from Goschen to her Majesty bring out very clearly the great difficulties of the situation, and the means by which in his opinion they could best be met; and they indicate also the unsettled state of the public mind, before the people had had any opportunity of learning from leading statesmen the line which they intended to adopt in the midst of the confusion into which they had been so suddenly and so recklessly plunged.

Goschen and Lord Hartington were in constant communication. Their chief difficulty, in Goschen's view, lay in the feeling, akin to despair, amongst many of those most hostile to Mr. Parnell's policy and most conversant with Ireland, as to finding a practical alternative. If Home Rule was refused, would the nation be prepared to act strongly in Ireland in supporting the law and suppressing disturbance? Would the House of Commons be willing to take measures to defend itself against the violent obstruction of Nationalist members? Firmly convinced, as he was, of the disasters that Home Rule would cause, Goschen yet recognised that loyal men might waver as to whether a settlement on some Home Rule basis was not inevitable 'after all.' Neither he nor Lord Hartington believed in the possibility of a coalition, at that time, between Liberals and Conservatives. Their views were well known, and carried great weight with the public. In the highest quarters it was not likely that less value would be attached to the opinions of these two statesmen. Things had come to such a pass that it was desirable, even in the interest of the Union, that

Mr. Gladstone should put forward, in principle and detail, as head of a Government, the policy which he advocated, of which the House of Commons and the country would then have to judge.

In January of 1886, in the newspapers in London and in the country, wherever men met—at country houses, at the clubs, and at dinner-parties—one subject of interest was the sole topic of discussion. What did Gladstone mean to do? If he really meant Home Rule, what would Lord Hartington do? On January 15, notes a diarist of that day:

'Dined with the Francis Buxtons. Present, Herschells, Charles Aclands, Leonard Courtneys, etc. Much talk on Irish question. Courtney thinks what is really required at present is strong administration of existing law, rather than any increase of local government. . . . Acland agrees in thinking we must vote against Home Rule, even should Gladstone go for it. Herschell as usual very cautious, not committing himself to any strong opinions on the matter. On the preceding evening Chamberlain had dined with the Buxtons and had declared against Home Rule in the most outspoken manner.'

Lord Hartington's language to his own friends was clear and decided. Sir George Trevelyan, Mr. Gladstone's latest Chief Secretary for Ireland, appeared to be no less firm. On the other hand, there were many who professed to be convinced that it was quite impossible that Mr. Gladstone should propose any policy deserving the name of Home Rule. For, during the whole of his long life, had he not been opposed to the setting up of a National Parliament and Government in Ireland? In recent years he had been in the most violent antagonism with the Irishmen who had espoused that cause.

'Depend upon it,' it was said, 'his policy when it appears will prove to be little more than an extension of local government. Why should not Irishmen manage their own affairs? Gas and Water Bills might well be dealt with in Dublin. There is no fear that the Union will not be maintained. For Heaven's sake let us temporise a little or disaster will befall the Liberal Party.'

In this state of general anxiety and uncertainty men were looking to the opening of Parliament to let in the light. Mr. Gladstone would, of course (so they thought), in his speech on the Address, accept or deny the rumour of his change of policy. Lord Hartington, Mr. Goschen, Mr. Chamberlain, Sir George Trevelyan, Sir Henry James and others would doubtless say not only what they thought of the merits of his new move, but whether they meant *to do anything* to resist it. Members crowded down in unusual numbers and unusually early on that snowy slushy forenoon of January 21 to take their seats; and at once it was apparent, at least on the Liberal side, that much—that everything—was changed. Every seat had been taken below the gangway on the Opposition side of the House by the followers of Mr. Parnell, with the exception of two specially reserved for Mr. Labouchere and Mr. John Morley. They had even overflowed above the gangway. The Irish Leader in the previous House had been followed by some five and twenty devoted adherents, men who had made no secret of their intention to destroy the efficiency of the Parliament of the United Kingdom in order to break up the Union and establish a separate Irish nation. In the late House, and at the General Election only just over, Mr. Parnell and his men had been the bitterest opponents of Mr. Gladstone. Now, when Mr. Curzon and Mr. Houldsworth had moved and seconded the Address, and the Leader of

the Opposition rose according to custom to follow them, the ovation which he received from the Nationalist members showed that the centre of gravity of his Party was no longer where it had been, and that, in the view of Irish Nationalists at all events, Liberals were to be henceforth led to the support of no mere extension of local government, but to carry out that policy of separating the political nationality of Great Britain and Ireland for which Mr. Parnell and his associates had so long and so passionately contended.

Two days before this (Tuesday, January 19) Goschen had written to Mrs. Goschen from the Athenæum all the political gossip he could pick up amongst well-informed people. From a talk he had just had with Mr. John Morley he had learnt that 'he and Chamberlain were at loggerheads, . . . that the triumvirate' [apparently of Dilke, Chamberlain and himself] 'was broken up, and that Gladstone was talking of "the mad passion which is rising in England about Ireland."' The rumour ran that Lord Hartington had been perfectly frank in his communications with Mr. Gladstone and Lord Granville, and that the former had intimated the possibility of his throwing up the lead of the Party and retiring to Hawarden. We now know that this was true, and that Mr. Gladstone was actually affirming that a pronouncement by Lord Hartington in favour of maintaining the Legislative Union between Great Britain and Ireland would make his own position as Liberal Leader impossible.[1] It was 'playing the Tory game with a vengeance.' It was to be represented, in short, that Lord Hartington, who was thinking of matters more important than the 'Party game,' was working to oust Mr. Gladstone

[1] See letter of Mr. Gladstone to Lord Granville, January 18, 1886. Lord Morley's *Life of Gladstone*, vol. iii.

from the Liberal Leadership in order to secure that position for himself! Would the Queen's Speech mention the Legislative Union at all? If it did, Gladstone and his friends would urge that this was a mere Party trick to secure a vote of the House of Commons before they had heard the case of the Irish Nationalists.

'I spoke to Hartington,' the letter to Mrs. Goschen goes on, 'in the strongest terms. I said it would be disastrous if he disappointed the Liberals in giving them a lead against Home Rule; that we must not think of party; that the country would never understand any evasive tactics, etc. He was a good deal disturbed, I think . . . He had to go, but arranged to meet me at Brooks's at 10.30 that evening, after the Queen's Speech had been made known to Mr. Gladstone and his late colleagues. I confess I am greatly alarmed. If the Opposition propose anything which is a dissent from the Conservative invitation to declare against Home Rule, I shall certainly speak and vote against them, and what a row there will be!'

The following day (Wednesday, January 20) he again writes to his wife from the Athenæum, winding up his letter late at night from Brooks's.

'I thought Gladstone dishevelled to-day; tired, excitable, unhappy and irritable. How will it all end? I hear that Gladstone is very much annoyed with Hartington and is making things disagreeable, very disagreeable for the latter. James tells me Hartington can never give way, after his Lancashire campaign; and that he (James) could not follow Gladstone, if he coquetted with Home Rulers. . . . I keep this letter open to tell you of the last news at Brooks's. . . . Brooks's, 1 a.m.—I have just had a tremendous séance with Hartington and Grosvenor.[1] Hartington didn't come

[1] Lord Richard Grosvenor, the Liberal Whip.

till past eleven. He had been with Granville after Gladstone. The fat is in the fire, and a split almost unavoidable. There *is* a passage in the Queen's speech about maintaining the Legislative Union. Gladstone is inclined to protest and Hartington will not give way. *If* Gladstone is very shilly shally about the Legislative Union Hartington *may* speak to-morrow, and the split is there: if he doesn't there may be a row among the Liberals. I have urged him very strongly. We discussed every likely alternative and whether and when he should speak. I told him I wished the lead to remain with him. If I spoke before him, it would damage him. I wished him to have the whole weight from having stood firm. *If* I spoke I said I should speak very strongly indeed and I knew I should have a great following: he would then be supposed only to bring up the rear. Dilke was not at the meeting to-night; only Harcourt, Chamberlain, Hartington and Lord Richard. What excitement. . . . Will the Parnellites show their hands? Grosvenor thinks that Gladstone may possibly make a backing down speech, showing that he does not intend to propose Home Rule. . . . Had some talk with James. . . . Certainly Hartington's position is very difficult, and it is wished in many quarters that he should not have the odium of having ousted Gladstone. It is however quite within the range of possibility that by Monday Hartington will be the leader.'

Goschen's letter to Mrs. Goschen, written from 'the Lobby 'after 4,' on January 21, was kept open to the last moment. 'Gladstone not yet up, though it is 6.30' was scrawled in pencil at the last moment before putting it into the letter-box. His speech was one of marvellous ingenuity, and in parts of considerable eloquence. When he sat down many members remained in complete doubt as to whether or not a Home Rule policy had been truly or untruly attributed to him. Yet whilst he was criticising the

expression in the Queen's Speech—'the Legislative Union'—the immense demonstrations of favour with which his comments were received by the Parnellite members showed how *they* understood him, and added to the deepness of distrust which so many of his English and Scotch supporters were beginning to feel. Mr. Albert Grey, who had for the last year been largely in Mr. Goschen's confidence, and who was working with him in the cause of Moderate Liberalism, complained with great justice of the unsatisfactory nature of Mr. Gladstone's speech, and pressed Lord Hartington and Mr. Chamberlain to declare Liberal policy and their own determination to maintain the Union intact. On Friday, the second night of the debate, the same tactics were pursued. Late in the evening, Mr. Arthur Elliot, declaring in plain language for the Union, reiterated Mr. Grey's appeal, and declared that in case no response was made to it by statesmen such as Lord Hartington or Mr. Chamberlain, the Liberal Party would become little better than a helpless crowd.

Mr. Gladstone eleven years afterwards recorded his recollection of those days. He did not know how far, he says, the bulk of the Liberal Party would support the policy of an Irish Parliament, and he did not feel sanguine about it. 'Even in the month of December, when rumours of my intentions were afloat, I found how little I could reckon on a general support.' He had been really anxious, he says, that the Tories who came into office should deal with the subject (i.e. apparently, bring in a Home Rule Bill). He had found amongst his principal friends 'uncomfortable symptoms,' and for this and other reasons he was not at all anxious to turn out the Tory Government. 'When we came to the debate on the Address I had to face a night of extreme anxiety. The Speech from the Throne

referred in a menacing way to Irish disturbances and contained a distinct declaration in support of a legislative Union.' The Address, as it stood, did not commit the House to an opinion, and he was rejoiced to find that the House was not invited to pronounce a solemn declaration in favour of the Act of Union.

'Home Rule, rightly understood, altered indeed the terms of the Act of Union, but adhered to its principle which was the supremacy of the Imperial Parliament. Still it was pretty certain that any declaration of a substantive character, at the epoch we had now reached, would in its moral effect shut the doors of the existing parliament against Home Rule.

'In a speech of pronounced clearness, Mr. Arthur Elliot endeavoured to obtain a movement in this direction. I thought it would be morally fatal if this tone were extensively adopted on the Liberal side; so I determined on an effort to secure reserve for the time, that our freedom might not be compromised. I, therefore, ventured upon describing myself as an "old Parliamentary hand," and in that capacity strongly advised the party to keep its own counsel, and await for a little the developement of events. Happily this counsel was taken; had it been otherwise, the early formation of a government favourable to Home Rule would in all likelihood have become an impossibility. For although our Home Rule Bill was eventually supported by more than 300 members, I doubt whether, if the question had been prematurely raised on the night of the Address, as many as 200 would have been disposed to act in that sense.' [1]

[1] See *Life of Gladstone*, vol. iii. It is a matter of no importance, but it is illustrative of the tricks played by the memory, that Mr. Gladstone should have attributed the advice he gave to the Party as an 'old Parliamentary hand' to his desire to dispel the effects of the speeches of Messrs. Elliot and Grey. His own speech was, as a matter of fact, made before either of them addressed the House.

Neither to Mr. Grey nor to Mr. Elliot was any reply made on behalf of the Party, and the prolongation of the period of 'drift,' which Goschen had so rightly deprecated, and which Mr. Gladstone with not less wisdom thought all-important to his Home Rule projects, was somewhat tamely permitted to continue. On Monday, the third day of the debate on the Address, a Scotch Radical member,[1] afterwards a steady member of the Liberal Unionist Party, moved an amendment which suggested the introduction into Great Britain of the 'Three "F's" System' created by the last Parliament for Ireland. No particular importance was attached to it, and many Liberal members left the House, to discover next morning, to their astonishment, that Lord Hartington, without having let anyone know what he was going to do, and without speaking, had voted with the Conservative Government against it. Of course, under these circumstances he took almost no one into the lobby with him. On the following day the catastrophe occurred. Mr. Jesse Collings moved his famous 'three acres and a cow' amendment, expressing regret that in the Queen's Speech there was no promise of a Bill providing for the creation of small holdings and allotments. Mr. Gladstone supported him, but introduced into his speech so many provisoes and limitations that his support on the merits amounted to almost nothing! There were, however, few who on that occasion cared much about the merits of the Jesse Collings policy. Its object was to turn out Lord Salisbury and replace Mr. Gladstone in power. Lord Hartington did not speak till the close of the debate, and then he threw in his lot with the Government, and was followed into the lobby by Goschen and some eighteen or nineteen Liberals. With that exception Liberals and

[1] Mr. Barclay, M.P. for Forfarshire.

Parnellites voted together, and by a majority of seventy-nine the Salisbury Ministry was brought to an end. It must be admitted that Gladstone had managed well. As the result of a division which had nothing to do with Home Rule he once more found himself Prime Minister, and in regaining this position he had had the support of both Liberals and Irish Nationalists without having had to disclose even in outline the Home Rule policy he was about to adopt.

Amongst Goschen's frequent correspondents was Sir Robert Morier,[1] whose clever, brilliant letters were often written with a vigour, not to say a violence, of tone which seems almost to have communicated itself on one or two occasions to Goschen's more sober pen. Gladstone became Prime Minister for the third time on February 1, 1886, and on the 10th Goschen described to his friend what had come to pass.

'How much has happened to intensify your wrath and render your language more violent if that were possible. But the air has cleared to a certain extent, and though we still know very little, the board and the position of the players are somewhat more intelligible. . . . The Hawarden Kite! Gladstone has expressed the greatest indignation at this impudent attempt to "force his hand." This to an old colleague. But Stead of the *Pall Mall Gazette* wrote a congratulatory letter to him on the revelations and said he hoped now once more to be able to support him. Gladstone wrote a very friendly reply. Yet remember the language the *Pall Mall* has used towards Gladstone for several years *à propos* of Gordon. "An old man's programme, etc., etc." Gladstone further said the revelation did not state what *he* thought, but what others thought that he thought. As the revelation came from Herbert Gladstone, you will see the force of the distinction! But on the whole *we* are bound to believe or told to believe that the issue

[1] British Ambassador at St. Petersburg.

of this Hawarden manifesto was not Gladstone's act. . . . However action was necessary. Hartington and I met and Hartington then and there wrote the letter to his constituents which practically declared his separation from Gladstone's views. The fact of this letter being the joint action of Hartington and myself relieved me from writing anything myself. I was *most* anxious that Hartington would take the lead and not I. It was urgent for him and urgent for the cause that *he* should be the prominent actor. This has been my theory and I have made great sacrifices to it; but I have to a certain extent succeeded. Well! On the whole Home Rule went back in public opinion after the so-called revelations. The plans were badly taken, and men said that the country would stand nothing of the kind. Then Parliament met. The Queen's Speech came out—a miserable document. The restoration of order put on "ifs" and "whens" as Sexton cleverly expressed it. All the moderate men were utterly disgusted. . . . The debate on the Address was memorable for the speech of the "old parliamentary hand." He produced a great impression on the immense body of new Liberal Members, . . . Gladstone's attitude to the Parnellites was most conciliatory. . . . Parnell also made a speech which produced a considerable impression from "its fair tone and studied moderation." Oblivious Fools!'

And he goes on to tell his friend how he had been trying to persuade Hartington to speak, as to which the latter felt very doubtful, ultimately deciding not to do so that night.

'I was *ausser mich* and immediately determined to get the adjournment of the House, and to put all I could into a speech the following day; and this was agreed to. Then came a curious incident. Late at night just before the close Arthur Elliot got up and made a rattling speech (very violent though calling for a lead). "Who will lead us?" And he pointedly challenged Hartington and Chamberlain. What

were their views? The leaders were to declare themselves. I could not get up after that speech. It was impossible or seemed to me impossible in the moment I had to decide. It would have been pointedly and publicly to take the lead out of Hartington's hands; indeed it would have looked as if I had put Elliot up, and had urged him to speak, but did not know he would take the line he did. No one else wished to speak. The adjournment fell to the ground and neither Hartington nor I spoke. It was a great misfortune. Looking back now I am not sure whether I ought not to have cast all delicacy to the winds and have forced the situation. Then as to Collings's motion. . . . The sending out a whip in its favour was a fearful blow at the Moderate Party. . . . I was furious with Gladstone's speech, . . . giving Chamberlain the decisive victory over me while I was convinced he agreed with me in his heart. . . . Hartington promised to speak but hung back too much. Luckily I could not speak immediately after Gladstone, otherwise my speech would have been very intemperate. As it was I spoke with considerable go, and my critics said I was very angry. Hartington followed after I had been thrown over by the Conservative leader to the intense disgust of their rank and file. Meanwhile the immense majority of our party hugged themselves with the belief that Gladstone would not really go for Home Rule but would have some great and wise plan, and Hartington and I had a miserable following though there were many absentees on our side. I don't write about the formation of the new Government. . . . The week was a good one for Home Rule and a bad one for the reputation of politicians. Every day one read of some unexpected and immoral adhesion; but a good many men refused office, Northbrook among them. . . . Within the last few days there has been once more a reaction, and Home Rule seems to have gone back. . . . Hartington feels that now it is necessary to have out Gladstone's plan—that the country will not be unanimous enough in dealing with Ireland unless

convinced that Gladstone had been allowed to try his hand and had failed; but he will be staunch, and we are gradually receiving support, though more probably outside the House than in it.'

On January 28 it was intimated to both Houses of Parliament that Lord Salisbury had tendered his resignation, and had been summoned to Osborne.

Would Lord Hartington be staunch? The question reads oddly now as men look back upon the past. Nevertheless, till his memorable speech of April 8, 1886, on the introduction of the Home Rule Bill, the letters Goschen received from his friends, and much of the ephemeral literature of that day, expressed considerable doubt as to whether Lord Hartington *could* bring himself to a complete breach with his old leader, and with so many of the political and personal friends of a lifetime. It was not so much with him, however, that considerations of this personal kind weighed most heavily. He felt deeply his responsibilities to the nation as a whole, and he knew that the line he took must greatly, for good or for evil, affect its future.

No one who saw anything of Lord Hartington in December or January of that winter was left in the slightest doubt as to his opinions. He utterly condemned that Home Rule policy which with Mr. Gladstone's own consent was now being attributed to him. He knew Mr. Gladstone's real opinions, and to Mr. Gladstone his own opinions had been made known from the beginning. To a man of Lord Hartington's directness of character there must have been something almost repulsive in the repudiations that were being put forward on behalf of the Liberal Party that there was no intention whatever to tamper with the Legislative Union. Policy and methods he alike condemned. But Lord Hartington was essentially a practical statesman. If

he were to oppose Mr. Gladstone and his policy, he would do so not merely with the object of 'liberating his own soul,' of freeing himself from the burden of responsibilities for the disastrous consequences that he believed would ensue, of making an honourable but vain protest against the inevitable. If he was to repudiate the Home Rule policy, he felt that he would make himself responsible for governing Ireland without it. Lord Hartington always saw the facts of a situation as they were, undistorted by his own wishes, interests or prejudices. No statesman was ever less of a doctrinaire. Whilst holding strongly to his political principles, he always had regard to the consequences which would follow political action. 'Are you prepared,' he said to those who consulted him at this stage of the controversy, 'not merely to condemn Home Rule but to face the necessary consequences of its rejection? We have to carry British opinion with us.' The result was to show that not a few of those who honestly disliked and disapproved of Home Rule had not truly counted the cost of fighting it, and they, in the severity and strain of the coming struggle, succumbed to what their fears made them regard as inevitable.

No intelligent observer could, in January 1886, have been blind to the effect on the long-continued Irish controversy certain to be produced by the recent action of British politicians on both sides of politics. The alliance between Conservatives and Parnellites in 1885, and the readiness of the former to reflect on Lord Spencer's and Mr. Trevelyan's administration whilst fighting under extreme difficulty the battle of law and order in Ireland; the supposed views on the Irish question of Lord Carnarvon, Lord Salisbury's Lord Lieutenant; the distrust felt in Lord Randolph Churchill —by no means confined to the ranks of his opponents—all

these things were facts in the situation. And now had to be added the biggest fact of all, the conversion to Home Rule of the great leader of the Liberal Party. Mr. Gladstone might be right or he might be wrong; but it was beyond dispute that his action had entirely changed the situation. The most eminent of English statesmen, and the most popular, was prepared to make the policy hitherto repudiated by himself and by all responsible British statesmen the great end and object of the Liberal Party. It had thereby gained a new position. Lord Hartington deplored it, but recognised it as a fact upon which there was no going back. In the new state of things resistance to Home Rule seemed to him a last necessity. He carefully surveyed the whole position, at length coming to the conclusion that there was only one course open to him if the unity of the nation was to be preserved. He saw his duty and he did it; but it was not with a light heart that Lord Hartington raised against Mr. Gladstone the Standard of the Union.

When, in this anxious state of the public mind, the new Parliament assembled at Westminster, it seemed that the destinies of the country would turn largely on the course to be pursued by the half-dozen English statesmen and the one Irishman upon whom was chiefly concentrated the public gaze—the Prime Minister Lord Salisbury, and his most powerful colleague Lord Randolph Churchill, Mr. Gladstone, Lord Hartington, Mr. Goschen, Mr. Chamberlain and, last but not least, Mr. Parnell. Of these seven, Mr. Chamberlain is the sole survivor. They were all men of strong individuality, and very various were the characters, the gifts, the opportunities, and the methods of using those opportunities, that had made each of them a power in the land. The House of Commons may have many faults, but at least it discovers and brings to the

front men who have something in them—who are not mere wind-bags, not mere wire-pullers, not mere trimmers of their sails to the popular breeze of the moment. The Prime Minister, of course, though a peer, had, like the others, made his position in the House of Commons, where, perhaps, had he remained for another fifteen years the history of the Conservative Party might have run on rather different lines. Mr. Gladstone, Lord Randolph and Mr. Parnell have been the subject of three biographies, each written from his own personal and Party standpoint, and on that account in some respects all the more valuable. Mr. Barry O'Brien in particular, instead of presenting us with a mere photograph of Mr. Parnell, gives us the portrait of his hero as he struck the imagination of his countrymen. They submitted to the Dictator; nay, it would appear from these pages that they bowed down before him with something of the adulation of courtiers for their king.

Now, in the winter of 1885 Parnell had reached the height of his unpopularity in England.[1] Early in November 1885, before Mr. Gladstone had left Hawarden for Midlothian, Mr. Parnell, according to Mr. O'Brien, had been sounded on behalf of the Liberal Leader as to possibilities of compromise. Parnell, as always, asked for an Irish Parliament and an Irish Executive for the management of Irish affairs. 'No system of Local Government would do. It was not local but National government which the Irish people wanted.'[2] He had in the autumn been partly 'coaxing' and partly threatening the ex-Prime Minister; but he was fully determined

[1] So writes, quite truly, Mr. Barry O'Brien in his *Life of Charles Stewart Parnell.*

[2] *Life of Parnell*, vol. ii. p. 114.

to stand no nonsense from him, and when, therefore, Mr. Gladstone's speeches to his constituents fell behind Mr. Parnell's expectations he dropped, as Mr. O'Brien puts it, the *suaviter in modo* for the *fortiter in re,* and authorised the issue (November 21) of a manifesto by the Irish National League of Great Britain denouncing the Liberal Party as the embodiment of all that was infamous and base, and calling upon the Irish electors everywhere to vote against its candidates. In Parnell's own opinion, according to Mr. O'Brien, 'he had become, earlier in the autumn, master of the situation; Whigs and Tories were vying with each other for his patronage'; but whatever may have been the case as regards others within the Conservative Party, Parnell apparently received from Lord Salisbury nothing but the very cold comfort of the Newport speech.[1]

There was much, it must be admitted, in the past to excuse if not to justify Mr. Parnell's cynical view that the rivalry for office between 'Whigs and Tories' would make either of the British parties surrender at discretion to the master of eighty-six Irish votes. His experience of Irish Nationalist politics, his knowledge that he, by the aid of his political machinery, could use Members of Parliament as mere counters in the game, made him ignore the existence in Great Britain of an independent and powerful public opinion. He rightly foresaw that if he could win Mr. Gladstone he would capture the Liberal caucus. He had won

[1] Lord Salisbury (October 7, 1885) had said at Newport in reference to a speech of Mr. Parnell's, that he had *never* heard any suggestion with reference to Imperial Federation which gave him at present the slightest ground for anticipating that in that direction would be found the solution of the Irish problem. According to Lord Morley, the political atmosphere was then in such an electrical condition, that these words were taken to signify that Lord Salisbury might probably think Federal Home Rule possible by and by! See *Life of Gladstone*, vol. iii.

Mr. Gladstone, and he had every right to feel elated at the completeness of his victory. Of Lord Randolph Churchill Mr. Parnell not unnaturally had hopes. Lord Salisbury, he professed to think, was willing to make overtures; though what evidence there was of this, unconnected with the electrical condition of the atmosphere, is not apparent. Mr. Chamberlain's 'Home Rule,' Mr. Parnell might think, differed not in principle but in degree only from that which was finding favour with Mr. Gladstone and himself. Lord Hartington and Mr. Goschen remained. They, at all events, had always opposed Home Rule on principle. They were neither of them men to be easily conquered by 'coaxing' or 'threatening'; by Mr. Parnell's *suaviter in modo* or his *fortiter in re*. They, at least, had never 'sought his patronage.' If *they* stood firmly together, would not the country rally to their lead? Mr. Gladstone had failed it. Of other leading statesmen it hardly knew what to think. Lord Hartington it both understood and trusted. Goschen's whole life had shown that political principle weighed with him far more than personal or Party advantage. The defeat of Home Rule, and the prevention of the dishonour and all the miserable consequences that would follow Home Rule, seemed to depend upon whether these two statesmen, in disregard of everything but their country's highest interests, would take the field in earnest. In an especial degree Lord Hartington's difficulties were great. Goschen did his best to lighten them. He had striven his hardest to persuade Lord Hartington to lead the Moderate Liberals. But now a larger question had arisen than any of those that divided Advanced Radicals from Moderate Liberals. Parties were not going to range themselves on one side or the other, with reference to their opinions of the picturesque policy of Mr. Jesse Collings,

even though the cow and her three acres were the ostensible cause of the fall of Lord Salisbury's Government. On what basis was the Constitution of the United Kingdom to rest? Were the people of the three kingdoms to form politically one nation under a single sovereign Parliament representative of the whole? Or were our institutions to be altered so as to give effect to Mr. Parnell's views of Irish nationhood? This and nothing less was the far-reaching question which came to a head in the short Parliament of 1886, and which for the next twenty years was to form the great division between contending Parties.

Let us return to the House of Commons. By a majority of seventy-nine Lord Salisbury had been turned out; but some eighteen Liberals, including Sir Henry James, Sir John Lubbock, Mr. Courtney, Mr. A. Grey, Mr. Wodehouse and Mr. A. Elliot, headed by Lord Hartington and Mr. Goschen, had voted in the Government lobby. Between seventy and eighty Liberals were absent from the House, amongst them Mr. Brand,[1] Mr. A. Craig Sellar and Mr. Brassey.[2] Seventy-four Parnellites voted with Mr. Gladstone. A division of much significance of what was likely to happen should the issue ever come to be plainly and unmistakably drawn between Home Rule and the Union. As a result of this division Mr. Gladstone, on February 1, kissed hands on his appointment for the third time as Queen Victoria's Prime Minister, and he became at once busily engaged in forming a Home Rule Ministry. So far, it must be admitted, he had managed matters with masterly skill and conspicuous success. By a House of Commons whose members he rightly believed to be at that time overwhelmingly opposed in opinion to Home Rule he had been

[1] Afterwards the second Viscount Hampden.
[2] Now Lord Brassey.

placed in office in order, it was impossible any longer to doubt, to forward, with the whole power of the Government in close alliance with Mr. Parnell and his followers, the policy of Home Rule. *Now* he would be able to bring to bear all the great influence, which a Government and Party in power possess over Members of Parliament, during that interval which must elapse before it became necessary for them to declare one way or the other upon a question evidently destined greatly to perturb the minds of their constituents. This interval he strove to prolong. So far no prominent Liberal statesman had uttered in the House of Commons a single word of criticism or condemnation of the rapid advances made towards Home Rule by the Liberal Leader.

Mr. Gladstone, however, was now to receive his first rebuff, and Home Rule its first check. He applied to old colleagues to join his Ministry and give him their support. Lord Hartington and Mr. Goschen, Sir Henry James and Mr. John Bright, Lord Derby, Lord Northbrook, Lord Selborne and other life-long Liberals refused to give any countenance whatever to the Ministry, or to the policy of their old friend and leader. He had drawn up a memorandum explaining the basis on which he wished to form his Administration, and this he showed to every statesman whom he invited to join his Cabinet. The purpose, the *raison d'être*, of the new Government was merely to examine the practicability of complying with the desire of Irish Nationalist members by establishing a legislative body in Dublin, and to deal with Irish as distinguished from imperial affairs. No plan or proposal, or outline of plan or proposal, was suggested. The intention therefore, it was urged, was simple and innocent. It was merely to examine and inquire. Surely

no one would shut the door against inquiring into the constitutionally expressed wishes of a large majority of the representatives of Ireland! That was all! To the straightforward mind of Lord Hartington it appeared, nevertheless, that 'examination and inquiry must mean a proposal.' He was himself opposed to a separate Irish Legislature, and he would therefore be no party to holding out hopes that he meant to propose one. To do that would be merely to cause, and to a certain extent to justify, future disappointment, and could not possibly lead to a satisfactory result. Mr. Trevelyan and some others who were known to disapprove of Home Rule as strongly as Lord Hartington took, unfortunately, a less strong line in the hope that when Mr. Gladstone's proposals were submitted to the promised examination some practicable and satisfactory project might result. If not, it would be easy, so they thought, to withdraw support when a definite scheme of which they disapproved was brought forward. They should have seen that the parting of the ways had come; that Mr. Gladstone had by his acts, if not as yet in express and public language, declared for Home Rule, and that they, as opposed to it, had no proper place in his Ministry.

Mr. Chamberlain's position was altogether different, and it was one of great difficulty. He had always called himself a Home Ruler, and in the previous Liberal Cabinet had proposed the establishment in Ireland of National Councils—a proposal much too near to Home Rule to be acceptable to the then Ministry of Mr. Gladstone. He had, however, been always and emphatically opposed to any splitting up of the nationality of the United Kingdom. No charge of inconsistency could now be made against him for accepting, after making his position

perfectly clear, a place in the new Ministry. He would discuss with Mr. Gladstone any projects that might seem practicable; he would not undertake to support any policy which he had not seen. No one could justly blame him for joining the Government, and neither Mr. Gladstone nor anyone else had any true ground of complaint against him when he afterwards left it.

The appointment of Mr. John Morley as Irish Secretary, with a seat in the Cabinet, was a fresh pledge to Irish Nationalists of the sincerity with which Mr. Gladstone had embraced the Home Rule cause. Mr. Morley, it is true, had, in 1880, refused to support the policy of Home Rule; but he had been for years a vehement opponent of 'coercion,' and had been gradually advancing towards the position of the Irish Nationalists. At the recent General Election he had suggested that something akin to Colonial self-government might be adopted for Ireland, and even more recently he had advocated the total exclusion from Westminster of Irish representatives.[1] No wonder that in the Nationalist camp, as well as amongst Liberals faithful to the Union, much importance was attached to the position which Mr. Gladstone had at once assigned to his distinguished follower!

One of several letters to Goschen from a distinguished statesman of South Africa may well find a place here. Mr. John X. Merriman wrote from Capetown on February 8, 1886.

(Private.)

'. . . You must be having a busy and an anxious time in the political world at home, and I do not wonder that the Colonial question is shelved in the face of the overpowering Irish difficulty. In some degree Colonists are fond of

[1] See *Life of Gladstone*, vol. iii. p. 296, note.

connecting them, and advocates of Federation try to believe that the same measure of Home Rule which loosens the one tie can be made in some way to knit the dependencies more closely. I confess it seems to me to be almost impossible to believe that Ireland can safely be placed in the position of a British colony or that England could tolerate the loyalty tempered by threats of dissolution of the connecting tie, that passes current in communities who live on the other side of the world. If the experiment is ever tried I hope that two or three states will be created, in view of a balance of power, rather than one homogeneous Ireland where the minority will be crushed out of existence. I am sorry that in writing before I failed to make my views clear as to the most desirable future for the Colonial Empire. If it were possible I should be the strongest advocate of Imperial Federation, as it is called; but the more one looks into the circumstances of all British dependencies, and examines the record of the only Federation that we have to guide us, the more doubtful does it seem whether any such common legislative tie is practicable. The most discouraging thing is that with all their grand Committees and with all their meetings the Federation League people have not in two years evolved the faintest approach to a single practical detail on the subject. And if anyone is even bold enough to hint at one the whole critical force of the Federationists is employed in showing how utterly impossible it is.

'The commercial and financial union of the Empire will be probably the rock upon which just now the Federation project would split; and as time goes on, and the difference of social conditions becomes more marked the difficulty of anything like uniform legislation on vital questions will become equally apparent. A common navy, common citizenship, and perhaps common appellate jurisdiction seem to be the most that is possible; even in these however the question of joint liability for the action of any one member will press for settlement, and as joint liability means, or

ought to mean, joint control, we cannot escape from facing the whole problem which bristles with difficulties. A Royal Commission would seem to be the only way of really collating and discussing all the facts of the question; but there seems to be an air of unreality about the whole thing that makes people shrink from anything approaching "dry light." Meanwhile the Colonial Office plods on; always the same, never active, never enthusiastic, and never losing an opportunity of commiting a timely blunder, or of assisting the centrifugal tendency. Pray excuse me for having taken up your valuable time with what you will justly call platitudes. To go into detail would be beyond all limits. It is a mere truism to say that anything of the nature of a Federation is the most complicated of all forms of government, and it is almost as true to say that it has never become a complete success. . . .

'Believe me yours truly

'JOHN X. MERRIMAN.

'P.S.—It may interest you to know that we are gradually impoverishing ourselves by a customs tariff equal to 25 per cent. of the gross imports.'

Goschen was disappointed at the turn things seemed to be taking. Before battle had been joined, before a great many men had at all realised the extreme importance of the issue that was before them, every conceivable pressure and inducement of a Party nature was being brought to bear to persuade them to throw in their lot with Mr. Gladstone. Sir Henry James, in declining first the Woolsack and then the Home Office, nobly vindicated the character of a great profession against the aspersions sometimes made upon the careers of lawyer politicians. Sir Farrer Herschell, who had been Solicitor-General, but who had lost both his office and his seat in the House, became at one bound Lord Chancellor. His character for moderate views and his well-known

cautious temperament, combined with his great legal reputation, made him a most welcome accession of strength to the new Ministry. But it was clear that whatever might be the effect upon an open mind of the inquiry and examination promised by the Prime Minister's memorandum Lord Herschell had effectually debarred himself from every course but that of implicitly following Mr. Gladstone's Home Rule policy whatever it might turn out to be. Sir William Harcourt, recently the sternest and loudest of statesmen in his denunciations of Mr. Parnell, his followers and all their works, became Chancellor of the Exchequer. Mr. Campbell-Bannerman also saw no sort of reason why his recent speeches against Home Rule should prevent his joining a Home Rule Government. He accordingly entered the Cabinet for the first time, becoming Secretary of State for War. Lord Rosebery became again Foreign Secretary. Lord Richard Grosvenor, the late Head Whip of the Liberal Party, was a strong Liberal Unionist, and he was replaced by Mr. Arnold Morley. Thus, though many distinguished men had declined to join the Cabinet, Mr. Gladstone found no real difficulty in meeting Parliament in a few days with his Administration complete. It should not be forgotten that amongst men less conspicuous in the world than ex-Cabinet Ministers several had imitated the firmness of Sir Henry James in resisting and in putting themselves outside the temptation of official promotion. Amongst the ablest of the younger Liberals was Mr. Edmond Wodehouse, member for Bath, a cousin of Lord Kimberley. His wife writing on February 3, 1886, to her mother, describes an instance of the kind.

'*February* 3, 1886. 56 Chester Square.—Edmond returned from Bath. In the evening Mr. Gladstone sent Lord Kimberley to ask him to join the Government, and he refused.

'*February* 4.—Letters, telegrams, and callers all day long, congratulating E. on his appointment to the Under-Secretaryship to the Home Office. But it is all a mistake as E. has refused. Many of his friends have changed their opinions, but E. does not waver.

'*February* 5.—I feel wretched. That hateful Home Rule has ruined E.'s political career. He was sent for and offered the Under-Secretaryship for the Colonies; and when he declined he was asked whether he would accept the Under-Secretaryship for Foreign Affairs if it was offered him. He still firmly declined any office, and I know he was right; but ——

'*February* 6.—Edmond saw many friends who are vexed with him. Mr. Gladstone is very indignant with him. But nothing will change Edmond's decision. I half think Sir Arthur [Hayter] will change his mind, and join, and even —— seems undecided.'

Mr. Henry Brand was sent for by the Prime Minister, to his own house, where he was strongly pressed to throw in his lot with the Government. Mr. Gladstone did not attempt to conceal his extreme vexation at Mr. Brand's determination to hold to his principles rather than follow the Leader of his Party.

Mr. A. Craig Sellar, in a similar spirit, declined the position of Surveyor-General of Ordnance, and other Liberals were no less firm. A great rift of this kind, however, in a Party acceding to office, though it may be indicative of future disaster, is by no means without immediate compensation to many of its more faithful adherents, who are able conscientiously and even with zeal to accept the places which their friends have conscientiously refused, and which but for that refusal would have been beyond their reach.

Mr. Gladstone persistently urged his friends not to commit themselves for or against his policy till they had seen

his Bill. That it meant an Irish Parliament and Executive no one could doubt. Still, at the stage the question had now reached, he was, perhaps, justified in giving this advice. It was fully time that the expression 'Home Rule' should take concrete shape, and the Cabinet, or, perhaps it would be more accurate to say the Prime Minister, at once became deeply involved in the business of reconstructing the British Constitution. Early in April the plan was completed. According to Mr. Barry O'Brien, representing Mr. Parnell's version of what had occurred, the Home Rule Bill of 1886 was 'evolved out of Mr. Gladstone's inner consciousness. He consulted no one. He did not take the Cabinet as a whole into his confidence. He occasionally spoke to one or two friends, notably Mr. John Morley and Lord Spencer,' who were completely in agreement with him on the subject; but 'he avoided the critics'—most of all apparently Mr. Chamberlain.[1] The account given by Mr. Chamberlain himself to the House of Commons on April 9 was to the same effect. Mr. Gladstone had become Prime Minister on February 1; he had joined him in order to examine into the possibilities and practicabilities of Home Rule; but it was not till March 13 that the Bill had been mentioned in the Cabinet at all! When he and Mr. Trevelyan heard what it was, and at the same time of the accompanying Land Bill, they at once tendered their resignations. As self-respecting men they could do no less. Mr. John Morley, who writes on the subject with authority equal to that of Mr. Chamberlain, asserts that 'no cast iron policy was arbitrarily imposed upon the Cabinet,' and that the plan first propounded underwent 'large and radical modifications.' That may well be. Mr. Gladstone's 'inner consciousness' appears to have been assisted by consultations with Mr. Morley and

[1] *Life of Parnell*, vol. ii.

Lord Spencer, and with constant communication through the former with Mr. Parnell. The object of consultation seems to have been to ascertain how far Mr. Gladstone and Mr. Parnell could make common cause—a perfectly legitimate inquiry, but not that which was to form 'the basis' of the formation of the Government according to the Prime Minister's memorandum.

Mr. Morley's account of his dealings with Mr. Parnell, and the impressions he formed of that very remarkable man, is full of interest. From private letters of that date it is clear that Mr. Gladstone's friends thought it of the utmost importance that the Home Rule scheme when it saw the light should appear to be entirely Mr. Gladstone's own scheme. It would not do to let it be seen too plainly that the Liberal leader was simply accepting the policy and measure of Mr. Parnell. Only once did Mr. Gladstone and Mr. Parnell see each other in consultation, and then it was in Mr. Morley's room at the House of Commons. It was there that the Irish leader's interviews with the Irish Secretary always took place; though why the former should not have gone to Downing Street or the Irish Office and rung the front-door bell like any other important visitor on business is not apparent. Suggestions were made more than once that direct conversation between Mr. Gladstone and Mr. Parnell might be more convenient than the invariable employment, as an intermediary between them, of the Irish Secretary. But Mr. Gladstone was not anxious to meet Mr. Parnell, nor was Mr. Parnell anxious to meet Mr. Gladstone. Each seemed to feel there was something compromising to his character in meeting the other, and once only, and then under the watchful eye of Mr. Morley himself, did they really come together. That Parnell was slow, sure and tenacious

everyone who had watched him in the House of Commons would affirm.

'Of constructive faculty,' says Mr. Morley, 'he never showed a trace. He was a man of temperament, of will, of authority, of power; not of ideas or ideals, or knowledge, or political maxims, or even of the practical reason in any of its higher senses, as Hamilton, Madison, and Jefferson had practical reason. But he knew what he wanted.'

Irishmen North and South knew, too, what it was that Mr. Parnell wanted. Englishmen thought that they also, taught by Mr. Gladstone and others, had understood for years what it was that Mr. Parnell wanted; but now Mr. Gladstone himself was to confound plain and simple issues, and to persuade the British People, if he could, that in following Mr. Parnell lay the best hope of the future of a truly United Kingdom and Empire.

CHAPTER II

THE HOME RULE BILL

THE lull that ensued in Parliament after the formation of the Home Rule Cabinet till the Home Rule Bill was introduced into the House of Commons on April 8 was in some respects the most trying period that defenders of the Union had to go through. The country did not know where it stood or what to expect, or where the statesmen in whom it had hitherto trusted stood. Men from whom better things might have been expected went about whispering that now that Mr. Gladstone had taken it up some sort of Home Rule was 'inevitable.' Exactly what Goschen had feared had come about. In the absence of leadership men were 'drifting.' Mr. Gladstone had promised a solution, and in a few weeks would be ready with his plan. In the National Liberal Club it was said that people were drawing again towards their old leader, though not one member in twenty would then have called himself a Home Ruler. How *could* it really turn out to be 'Home Rule'? This measure that was to be put forward on the authority of statesmen such as Mr. Gladstone and Lord Spencer, who for a generation past had refused again and again to tamper with the Union! In spite of facts every day becoming more patent, many Liberals in this fashion still desperately hugged the belief that in some way or other the ingenuity of

Mr. Gladstone would save the situation. Others refused to shut their eyes to what was coming. Amongst Goschen's friends many urged Lord Hartington to delay no longer; but at once to rally Liberals in defence of the Union. He determined, however, to await the introduction of the Bill, that he might know exactly what it was he had to fight. A great struggle was clearly impending. It was right to make preparations; but he saw no reason for hurrying on a declaration of war.

Up to this time there had been a certain well-marked difference of leaning between Lord Hartington and Mr. Goschen. They agreed almost entirely in political opinion and in their outlook on the future. Both disliked the extremes into which the Radical section of the Party was pushing Mr. Gladstone; and Goschen had been urgent that Lord Hartington should, as the leader of moderate Liberalism, take the field. If Gladstone was to be captured by the Radicals Goschen was prepared to face a split in the Party, and he hoped that Lord Hartington would come forward as the leader, against the Radicals, of a better and truer Liberalism. Lord Hartington's mind was definitely made up against joining a Ministry in which his advice was likely to be put aside. He would certainly not make himself an instrument to carry out the policy of other men which he disapproved. If Gladstone was always to bend to Chamberlain and Dilke, he himself was not prepared to do so, and it was therefore highly probable that he would decline to take office again with them under his old chief. But to break asunder the Party of which for many years he had been one of the most important members, and as a rival leader to head an attack upon Mr. Gladstone, was another matter, and would have been intensely distasteful to him. Amongst

Lord Hartington's friends were many strong Party Liberals, and he would certainly have carefully weighed their counsels before taking any action of that kind.

All the private correspondence of the time just preceding and during the General Election shows that great changes in Party arrangements and political combinations were expected in the immediate future. This was so before it was known or generally suspected that Mr. Gladstone was about to take up Home Rule. He had now reached his seventy-seventh year. That he still led was supposed by many to be for the purpose of maintaining unity in the Liberal Party till victory was won at the polls rather than with the intention of providing it with future guidance. The troubled and divided condition of his following, combined with the weight of years, would, it was thought, soon bring about his retirement. In Lord Morley's 'Life of Gladstone' we see how strongly these considerations were present to the mind of the Liberal leader himself. If he should withdraw, what next? Goschen, looking ahead, was clear what ought to happen, and for what he intended to work—the leadership by Lord Hartington of a reconstructed and steadied Liberal Party. He was very willing, if necessary, to fight the Radicals, led in all probability by Mr. Chamberlain and Sir Charles Dilke, with the Irish Nationalists for their allies. To Lord Hartington's standard would be drawn in time some of the best elements of the Conservative Party, many of them almost as much revolted by the vagaries of Lord Randolph Churchill as were many of the Whigs by the extravagancies of Mr. Chamberlain. It may, perhaps, in the light of subsequent events, seem strange to modern politicians, but it is the fact that, in December 1885, those who speculated on the future

considered it by no means 'off the cards' that a few months would see an understanding arrived at between Mr. Chamberlain and the extreme Radicals, Lord Randolph Churchill and his Tory democrats, and Mr. Parnell and his Nationalist following.

What would have happened on the political stage had Mr. Gladstone refused to embrace Home Rule and the Parnellite alliance no one can say. It is, however, beyond all question that his doing so created an entirely new situation. When the Liberal Party became a Home Rule Party, Lord Hartington showed no hesitation in leading the Liberals who remained faithful to their old principles with regard to the Union. Goschen's earnest desire to see Lord Hartington lead was thus fulfilled. He himself contributed a vast proportion of the energy, the spirit and the ability with which the Liberal Unionist movement was to be conducted, and which ultimately brought it success. Round the two men rallied Liberals of many sorts and kinds. The Moderates no doubt predominated in number, but many thousands of Radicals in every part of the country were not less zealous in the cause, and Lord Hartington had behind him a much better representation of his old Party than if the rupture had simply been one between Radical and Whig.

It had been a misfortune in the eyes of many Liberal opponents of Home Rule that Lord Hartington's first going into the division lobby against Mr. Gladstone had been on a question of proposed land legislation for England. Many of them felt that the importance of the Jesse Collings amendment had been much exaggerated on both sides. Letters to Goschen of February 16 and 18, 1886, from the Duke of St. Albans, show well the disinclination of many old Whigs to break finally with the Radicals on

the one hand, or to believe on the other hand that Mr. Gladstone was really advancing towards Home Rule. The Duke dreaded the idea of 'a cave.' Moderate Liberals could not, he thought, form a distinct party, and if they ran candidates against Radicals, the Tories would everywhere win, and 'laugh at both parties for their pains.' In the second letter the Duke writes with even greater fulness, in reply to his correspondent, from Bestwood Lodge.

'Your arguments would have more force with me if it were not that I have still ringing in my ears a conversation I had last week with Mr. Gladstone in which he assured me that there was no question of Home Rule. That he did not believe it could be carried in the Cabinet, and that as regards himself though he had never been against Home Rule, which it is difficult to define, yet he had never made up his mind to propose it, and he doubted it being carried in the Cabinet. He added "I wish everyone to know this. Pray make no secret" (in reply to my saying that of course I should not mention the matter); but *I should rather not be quoted.* I believe at this moment Gladstone is quite as likely to go to the country on an anti-Home Rule cry as on a Home Rule one. . . . Of two evils I would rather trust the Caucus than the Carlton. It seems to me whilst the Moderates remain the Radicals will think twice about adopting such a cry, with the recollection of 1874 to remind them of what is the result of a divided party at the poll; but if the Moderates had already split—the Radicals would become reckless and the Home Rule cry would become lost sight of in an attack on the House of Lords. . . .'

The 8th April 1886 was to clear the air! The public excitement in the meantime had been very great, and it was increased by the announcement made on March 27

that Mr. Chamberlain and Mr. Trevelyan had resigned. Here, in truth, was a strange situation! It appeared that the Radical leader and the Whig leader would be equally unable to accept the proposals of Mr. Gladstone, whether they went by the name of Home Rule or by any other; but would it be possible for Lord Hartington, Mr. Goschen and Mr. Chamberlain to act together?

On the day before the introduction of the Bill, Lord Hartington and Mr. Chamberlain met.

'My dear Goschen,' wrote the former (April 7), 'things did not look very smooth at first, but the interview ended amicably. Chamberlain will not speak to-morrow. He apprehends much greater changes in the scheme than I think he will find have been made. I shall not follow Gladstone; but the Tories will keep the debate going with Trevelyan's assistance. It was Chamberlain's own suggestion that Trevelyan should speak. Chamberlain will move the adjournment, and I shall speak either on Friday evening or move the adjournment. Chamberlain urges the latter, but I am not clear that it will do to wait till Monday or Tuesday. . . . I think there is a decided advantage in my hearing Trevelyan's and Chamberlain's explanations before I speak. . . .'

And on the following morning, Thursday, he writes again that he would probably speak after dinner on the second night, and that in that case Goschen had better reserve himself till the Monday or Tuesday following.

'The argument was strong in favour of my not speaking until I had heard not only Mr. Gladstone's statement but those of the seceding Ministers. If I can agree with Chamberlain's line, so much the better; but I may have to differ from him as well as from Mr. Gladstone.'

That morning ever since 6 A.M., when the doors of the

House of Commons were opened for the servants, members had been arriving to take their places. The seats below the Gangway on the Opposition side were crowded and monopolised by Irish Nationalists, who when Mr. Parnell entered the House before prayers, received him with rapturous cheers. Never had the House of Commons presented so remarkable a scene as when Mr. Gladstone rose to announce his policy, and to expound his scheme. By permission of the Speaker, even the floor of the House had been invaded, and two double rows of chairs extended the whole distance from the bar to the gangways. In the great tension of the moment the questions on the paper were very properly not put, and it was therefore but little after half-past four when the Prime Minister, frantically cheered by Irish Nationalists, but receiving a much more moderate welcome from his own friends, rose to his feet. As he proceeded to develop during three hours and a half his 'Bill for the Amendment of the Provision for the Future Government of Ireland'—for that was the clumsy title assigned to the Home Rule Bill—the deep, the anxious, attention of the crowded audience, members and strangers alike, never flagged for one instant. He evoked on his own side but little cheering. At eight he sat down, and the great throng of members, impressed by his eloquence, but half dazed by the seeming wildness, inconsistencies, impracticabilities of the plan revealed to them, burst into the lobby to talk it over. As they crowded through the folding-doors a Liberal member muttered half to himself, 'I bet *this* Bill never passes its Second Reading!' 'Done with you,' said a voice behind him—that of Mr. Labouchere, member for Northampton—'shall we say a hundred?' 'I am no betting man,' was the reply, 'so let's make it *a guinea*.' He was a lawyer. A fortnight later, confident of a Home Rule victory,

Mr. Labouchere offered to double his bet, an offer at once accepted by the 'dissentient Liberal,' who, on the morning after the famous division of June 8, in the midst of his rejoicing, was able to pocket with no little satisfaction the two-guinea cheque of the honourable member for Northampton!

In Mr. Henry Labouchere, whose cynical wit and gay humour did much in 'the eighties' to relieve the tedium of hours spent in the House and the smoking-room, the bump of reverence, even for his leader, was never very highly developed. Few of those, however, not on the Irish Benches, who had heard Mr. Gladstone came away with a light heart. His immense earnestness, his appeals to high motives, his evident conviction that to support or to reject his proposals was to make choice not merely between what was politic or the reverse, but to decide between right and wrong, between good and evil, could not but impress his hearers. Heavy doubt and deep uncertainty weighed, nevertheless, upon the minds of many who wished or who felt constrained to follow him. This great speech did at least and at last make all men realise that an entirely new policy had been laid before Parliament—a policy founded on different principles, inspired by different ideals, from those to which in the past British statesmanship had appealed. Upon the merits of this policy it would become the duty first of the House of Commons and then of the country to pronounce.

It had not been very easy to grasp during Mr. Gladstone's lengthy elaboration of his proposals the main principles upon which they rested. But almost every sentence had made it clear that the Bill involved the negation of that great principle upon which the Union of England and Scotland and Ireland was built—the equality

of citizenship. In whichever of the three kingdoms the British subject happened to be domiciled, as the law stood and stands, made and makes no manner of difference. His political privileges were and are the same. He was and is subject to be legislated for and to be taxed by the same sovereign Parliament, and he enjoyed and enjoys the same privilege of making his power felt over the Executive Government of the day. There were, indeed, some slight inequalities of taxation, not altogether microscopic; but they were not unfavourable to the Irishman. To the sovereign Parliament Ireland contributed a number of representatives proportionately in considerable excess of those returned by Great Britain; whilst at the same time the Irishman contributed per head considerably less to imperial taxes than the Englishman or the Scotchman. Local laws to a considerable extent differed, and rightly so; but as regards their status, their political rights and privileges as citizens within the United Kingdom, and as subjects within the empire, Englishmen, Scotchmen, Irishmen stood and stand exactly on the same footing.

The Home Rule Bill provided that Irishmen should no longer send representatives to the Imperial Parliament—either Irish members to the House of Commons or Irish peers to the House of Lords. It provided that an Irish Legislature should be established consisting of the Sovereign and a legislative body, the latter consisting of two Orders deliberating together but, at the wish of either of them, voting separately. The 'First Order' was to be composed of the Irish representative peers and of seventy-five elected members, possessed of a property qualification of £200 per annum and chosen by electors who owned or occupied tenements of £25 a year or upwards. The 'Second Order' was to consist of 204 members chosen by the existing

constituencies, every existing representative in the House of Commons to become a member of the Second Order if he so desired. Five years, if it were not previously dissolved, was fixed as the duration of the legislative body.

The Executive Government was to be carried on by the Lord-Lieutenant, assisted by 'such officers and such Council as to Her Majesty from time to time should seem fit.' The intention, according to Mr. Morley, being that the Lord-Lieutenant should not be the Minister of a Party nor quit office with an outgoing Government; whilst his Council should resemble the British Cabinet, and be responsible to the Irish Legislature.[1] His position, in short, was to be assimilated to that of a Colonial Governor.

The Irish Legislature was to have no power over many enumerated matters which, though they might seem to concern Irishmen, were to be reserved entirely for the British Parliament, from which Irishmen were to be excluded. Amongst these were the status of the Crown, or the succession, or a regency; the making of peace and war; the army, navy, militia and volunteers, or other forces for the defence of the realm; treason, alienage or naturalisation; trade and navigation; coinage, copyrights and patents (Clause 3). The Irish Legislature was further restricted (Clause 4) from establishing or endowing religion, from derogating from the right to maintain denominational education, from interfering with the protection of the Conscience Clause in public-aided schools, from touching the property of corporations, and from imposing customs and excise duties. Temporary arrangements were made as to the Royal Irish Constabulary and the Dublin police; but ultimately all police services would be under the control of the Irish Government and Legislature.

[1] See Appendix to Mr. Morley's *Life of Gladstone*.

As to finance, Mr. Gladstone made a great point of preserving what he called the 'Fiscal Unity of the Empire'—an obscure phrase; for if we give the words their ordinary meaning there is no such unity. It was now proposed that a separate Irish Consolidated Fund should be established into which should be paid the proceeds of taxes imposed by the Irish Legislature, and that Ireland should contribute annually to the British Consolidated Fund a fixed sum representing her share of payment to the National Debt, and of general burdens (taken at one-fifteenth) in respect of army and navy and imperial civil expenditure.

With these proposals was coupled in another Bill a great scheme for settling the land question by buying out owners willing to sell, at some twenty years' purchase of the net rental, and thereby converting the occupiers into proprietors, subject to an annual payment for a certain number of years to the State. On the first reading of the Home Rule Bill, however, the proposals to be made in the Land Bill could only be glanced at, and debate was confined to the merits and demerits of the measure Mr. Gladstone was actually submitting to the House. He was very clear and decided as to the necessity of entirely excluding from the Parliament at Westminster all representatives of Ireland. For that Parliament was not merely a Legislature. It controlled the Executive Government for all purposes. It seemed preposterous that if Great Britain was to have nothing to say to the choice or control of the Irish Executive Government, Irish members should have a voice, possibly even a deciding voice, in deciding the fate of the Executive Government of Great Britain. 'There cannot be,' he said, 'a domestic legislature in Ireland dealing with Irish affairs, and Irish Peers and Irish representatives sitting at

Westminster to take part in English and Scotch affairs.' When parliamentary control over the Executive Government is considered, the distinction, he pointed out, between imperial and local affairs entirely breaks down. He had given much thought to this matter, and he had come to the conclusion that 'it passed the wit of man' to draw any such distinction. Except in amending (should it ever become necessary) the Home Rule Bill itself, the presence of Irish members at Westminster was to be entirely at an end.

Mr. John Morley, on the third evening of the debate, followed Lord Hartington, whose speech—the speech of the debate—impressed the House of Commons as it has rarely been impressed in modern times. The Irish Secretary laid much weight on this feature of the Bill. 'I have always thought it a cardinal point of policy,' he said, 'since this movement began that Irish members should cease to sit in this Parliament.' With Irishmen, according to Mr. Morley, imperial topics and interests at present counted for little; and with English supporters of Mr. Gladstone, whatever view they may have taken as to the desirableness of Irishmen concerning themselves with the affairs of the United Kingdom, it told heavily in favour of the Bill that the Irish Nationalists, who had done grievous injury to the character and credit of the House of Commons, were by it to be entirely removed from Westminster. With Lord Hartington's powerful arguments against the principle of the Bill Mr. Morley can hardly be said to have wrestled seriously. He and his chief imposed full confidence in Mr. Parnell, and in the loyalty, patriotism and moderation of 'the vast majority of the representatives of the Irish people.' This confidence would have impressed the House of Commons and the public much more strongly had it been a plant of slower growth. For it was impossible to

forget that those very men to whom it was now proposed to hand over the destinies of Ireland had been denounced for years by Mr. Gladstone and his principal colleagues as being animated by motives of hostility to the national unity of the kingdom, and for employing criminal methods to further their objects. This had been the tone of Liberal Ministers before and during the General Election which was only just over.

Mr. Trevelyan on the first day and Mr. Chamberlain on the second day of the debate had given their grounds first for joining and then for leaving the Cabinet, their reasoning and conduct entirely justifying the wisdom of Lord Hartington, Mr. Goschen and their friends in their decision to hold aloof. Mr. Trevelyan would never tolerate a measure which relieved the supreme Parliament and Government of their responsibility for the maintenance of law and order, and for the upholding of justice, or which withdrew from them the means of enforcing the will of the Executive Government. Mr. Chamberlain, who truly described himself as 'a Radical who had always given great consideration to Imperial interests, and who cared for the honour and integrity of the Empire,' thought that the provisions of the Bill went entirely beyond the extension of local government, and could only tend to the complete breaking up of the United Kingdom. By some speakers on the side of the Bill less stress was laid on its merits than on the terrible consequences—the chaos—that would result from its rejection. In short the weighty arguments of Mr. Gladstone's late colleagues against the policy and measure which Mr. Gladstone had expounded were met first by eloquent exhortations to trust the Irish People, and secondly by the assertion that anarchy in Ireland was the only alternative to the Bill. Sir William Harcourt, of late

one of the keenest denouncers of Irish Nationalists, had delivered himself on the fourth and last night of the debate of a clever and amusing Party harangue. Goschen, who followed him, brought the House back at once to the tremendous issues before it.

In this speech (April 13) Goschen treated with great scorn the language of those who had urged the acceptance of Mr. Gladstone's proposals not so much on their intrinsic merits as on the ground of the dangerous consequences that would follow their rejection. To him it appeared that both the Irish Secretary and Mr. Whitbread[1] had had recourse to intimidatory suggestions of this kind, and this was exactly the sort of language which was always certain to rouse Goschen's indignation.

'You are landed then at this point,' he exclaimed, 'that there is no longer sufficient power, spirit, or consistent policy in this country to deal with this great crisis unless we pass this Bill. The argument is such a melancholy one that I do not wish to overstate it. . . .'

And he went on to ask whether the House of Commons was really bound to accept whatever eighty-six Irish members might ask because, in case of refusal, they would have recourse to unconstitutional means. And with much logic he further asked how if satisfying the eighty-six was the sole question to be considered in passing the Bill, the Government could insist upon *any* limitations to the acceptance by Parliament of such separation as they might choose to demand. Let law no longer reach Ireland 'in foreign garb,' had urged Mr. Gladstone. It was not 'its garb' but 'its substance,' replied Goschen about which Irish Nationalists were chiefly concerned. They were clamouring for methods of dealing with the land such as no civilised people in Europe would tolerate.

[1] M.P. for Bedford.

Goschen knew something of foreign countries, of the conditions under which their constitutions work, and of the amount of stability belonging to them; and he was therefore not impressed by the Prime Minister's laudatory references to the union between Norway and Sweden, and between Austria and Hungary, as affording happy examples for the British nation to bear in mind. He warned the House against being led away by utterly false analogies. What was the use of comparing systems when all the conditions and circumstances differed? Make of Ireland a colony, said some! But then Ireland did not the least resemble a colony. British interests and Irish interests were inextricably mixed up. Irishmen in hundreds of thousands lived in England; Englishmen and Scotchmen in great numbers in Ireland. The fact that Great Britain and Ireland were only separated by a few miles, whilst the nearest British self-governing colony was in another quarter of the globe, made the whole difference between the cases.

He went on to discuss the question of retaining at Westminster the Irish members. In spite of the strong language of Mr. Gladstone and Mr. Morley, a couple of days' debate in the House of Commons had been sufficient to shake their resolution to dismiss from Westminster all the representatives of the Irish people. The Attorney-General (Sir Charles Russell), on the third day of the debate, had almost treated this cardinal, this vital, principle of the Bill as an open question!

'The difficulty,' said Goschen, 'lies in the essence of the case. It is in fact a difficulty which is absolutely insuperable. You cannot treat Ireland differently from England and Scotland without involving yourself in innumerable anomalies and injustices . . . the impossible task of establishing a separate National Government for a

portion of that which is the United Kingdom of Great Britain and Ireland. . . . I warn honourable members with regard to leaving this an open question.' It would be a misfortune to exclude Irish members; 'but that is the result of attempting to give a National Parliament to Ireland. It would be most unjust if in order to meet that difficulty, you were to place English and Scottish affairs at the mercy of a body of Irish representatives.' Remember, he said, the Irish voters in English constituencies. 'I am glad to see them amongst us if Ireland is to remain an integral portion of the Empire; but I do not wish to see their power increased if they are to be a separate Nation planted on our flanks.'

Goschen further asked for explanations on points of great importance which, however, were destined never to be elucidated in the lengthy Home Rule controversy by the advocates of that policy. What was the meaning of the Imperial Veto intended to be reserved on Irish legislation? Was it to be a veto for which the Ministers of the Sovereign at Westminster were to be responsible? If so, it became the veto of a purely British Parliament on the Bills of a purely Irish Parliament; since the King's Ministers were responsible to the British House of Commons. Then, as there was intended to be an Irish Executive as well as an Irish Legislature, the execution of laws, by whomsoëver made, would be entrusted entirely to Irish authority. Power was being given to change the judges, the magistrates, the Civil Service from top to bottom. 'This is as gigantic a change as was ever made after a revolution lasting for years. . . .' Again, 'we are to be responsible to foreign countries for the conduct of Ireland. . . . We may be involved in wars on account of Ireland, while Ireland will not contribute one penny towards the additional expenses,' and he suggested the

possibility of some future *Alabama* sailing from an Irish port or a difficulty arising under the Foreign Enlistment Act from Irishmen taking part in foreign wars. He could not conceive how the finance of the Bill could give permanent satisfaction. Out of the Irish revenue of some £8,000,000 about £6,000,000 would be controlled by the Imperial Department. Every time the British Parliament raised the revenue on whisky or on tea it would be an Irish grievance. How, he asked, could this possibly work? Income tax was to be left entirely to Ireland; but how in the mixed relations and business of English and Irish could this possibly be?

In this way Goschen, by examining *seriatim* the operation of the Bill in many different directions, enabled the public to form their opinion upon it as a whole. What, he asked finally, was to be the future of Ulster? Was the inclusion or the separate treatment of Ulster also to be an open question?

'I do not know if it is right that we should speak of the abandonment of the Loyalists; but it seems to me to be something very like it. There have been cases of countries, who after the humiliation of defeat, have seen torn from their sides subjects who had relied on them for support; but that has always been after a disastrous defeat in the field. But for a nation in the plenitude of its power to hand over men who had relied on its honour and its power is what has never before been recorded in the annals of history. If it is done it will be done by this country for the first time.'

After Sir Michael Hicks Beach had spoken, and Gladstone in a vehement and somewhat heated speech had replied, the Bill was introduced and read a first time without a division, it being rightly considered that

however objectionable the measure might be, the Government had a right to present it in all its details to Parliament; and the sooner this complete exposition of their whole scheme was before the country the better for all parties.

When this debate was over, it was at once perceived that the situation had entirely changed from that condition of uncertainty that had hung over everything during the debate on the Address a month or six weeks earlier. The country was beginning to realise where it stood, and what were the views of its leading statesmen. Lord Hartington's position was established. He stood out as something different from and more than a mere Party leader. His followers belonged to all parties. He personated that good sense, that sobriety of judgment, that solid patriotism without pose characteristic of the best elements of English life. Goschen might well rejoice in the coming about of that which he had so long desired and worked for—the definite leadership of a great body of public opinion by Lord Hartington. If the common nationhood of the people of the three kingdoms was to be destroyed, it could now only be because the nation itself did not think it worth preserving, for the nation itself would have to be appealed to. The days of 'drift' were nearly over. The fate of the Union was to depend upon the result of battle in the open on the merits of the question, not on the winning of support in lobbies and caucuses by the most adroit methods of political management.

It was natural that Goschen should be found in great spirits the morning after the first reading of the Bill. A number of his friends, including Lord Arthur Russell, Sir R. Blennerhassett, Sir John St. Aubyn, Mr. A. Grey,

Mr. A. Elliot, Mr. Craig Sellar and Lord Lymington, breakfasted with him at his house in Portland Place, and remained to discuss arrangements for holding meetings during the recess all over the country in support of the cause of the Union. The same evening took place at Her Majesty's Opera House the great gathering presided over by Lord Cowper, formerly Mr. Gladstone's Lord-Lieutenant in Ireland. This was the first unmistakable public sign that a large number of life-long Liberals had come to the conclusion that the only way in which the country could be saved from the policy of national disintegration was by open alliance and frank co-operation with their old political opponents. To save the Union Liberals and Conservatives must work together, and they could only do so by agreeing to minimise as far as possible other differences that had divided them and by making their general policy subject always to the first consideration of guarding the Union. It was clear that such an alliance could not prosper unless on both sides there was a certain amount of give and take, and a readiness to make occasionally some sacrifices to gain a great end. This truth was recognised by Lord Salisbury from the beginning, as it was recognised from the beginning by Lord Hartington and Mr. Goschen. But however true and wise, the policy of alliance was a difficult pill for Party men, especially for men who placed their main reliance on Party machinery, to swallow. Lord Randolph Churchill thought the Opera House meeting a mistake, and neither he nor Mr. Chamberlain (who at that time were in very intimate relations) were present at it or sent letters to the chairman in its support.

There has probably been no political meeting in modern times of deeper significance than that which filled

the Opera House on the evening of April 14, 1886. It indicated a great movement of opinion: the rupture of old political ties, the formation and consolidation of new ones. There the 'Unionist Party,' a combination which for twenty years to come was to be the dominating factor in our political history, first saw the light. It is not easy for men long accustomed by subsequent events to think of Lord Salisbury and Lord Hartington as political associates, to realise the startling effect at the time of their first appearance on the same platform. A keenly fought General Election had taken place only five months previously, and it was not without a good deal of inward searching of heart that many members of the rank and file from both sides of the House of Commons ventured to take a part in proceedings apparently so compromising to Party purity. The enthusiasm of the great assemblage which filled the theatre from top to bottom when Lord Cowper took his seat in the centre of the stage, having Lord Salisbury and Lord Hartington on either hand, knew no bounds. It was in no spirit of apology, said the chairman, for his Liberal opinions that he stood before them. He had been and would remain a Liberal, none the less so because he was determined to maintain the Union. Lord Hartington, in moving the first resolution affirming the disastrous consequences to both countries of invalidating the Legislative Union between Great Britain and Ireland, whilst he attributed only the loftiest motives to Mr. Gladstone's action, yet declared that that action in making his Irish policy the sole great political issue of the day, forced him, and men who thought like him, to take up the challenge and combine with men from whom they might differ on minor subjects to defeat the measure which in Mr. Gladstone's words 'held the field.' He was

seconded by Mr. Peter Rylands, M.P. for Burnley, a typical representative of the Advanced Radical school, who, whilst affirming his own Radicalism, announced his readiness to join hands with politicians of any camp to ward off the threatened dangers and disasters from the nation.

It was Goschen's part to second the resolution moved by Lord Salisbury to petition Parliament against the Bill. And of all the powerful speeches made that evening, it was Goschen's more than any other that 'brought down the House.' Only the evening before he had in the House of Commons been tearing to pieces by detailed examination and pertinent questioning Mr. Gladstone's proposals. Now he could deal with the subject in its broadest aspects, and appeal to his audience, and through it to the country, on their general sense of right and wrong, on their love of justice and love of country, and could pour scorn upon some at least of the inducements urged on doubting politicians to accept the Bill.

'Justice to Ireland!' he exclaimed. 'When did it first dawn upon the thousands who are now called upon to echo that cry that Justice demanded Home Rule? I think I know. It was when they were told so by authoritative lips. And when did it dawn upon those who raised the cry that Justice demanded that Home Rule should be given? It is a doctrine we have not heard much from responsible Statesmen; till when? We did not hear of that doctrine in November last. Yet Justice is not an intermittent apparition. Justice is not a figure that can be here at some times and absent at others. Justice is not an apparition that can be invoked at the polling booth alone. Expediency may change from time to time . . . but Justice always stands in the same position (cheers). Expediency may have set in. The expediency of granting Home Rule may have appeared since last November; majority may have appeared since last

November; threats may have doubled since last November (laughter); but I fail to see why that which we did not hold to be just before November should suddenly have become imperatively just in December and in January of this year! Justice has often been described as wearing a bandage over her eyes. But I did not know that her worshippers were to remain blindfold (laughter) till the bandage was torn off under the pressure of expediency and fear (cheers). And if justice is to be invoked, let it be invoked all round (cheers). Let it be invoked as well on behalf of those of whom the noble Lord spoke just now with such eloquence—let it be invoked on behalf of the Loyalists of Ireland (loud cheers)—on behalf of those who have relied on us, who have stood by us, as well as on behalf of those who have been the opponents of order, and of law, and of Imperial rule. . . .

'There are some who seem to believe that if this Bill is passed we shall see the most brilliant transformation scene that has ever been witnessed, and there are others who as the result of the rejection of the Bill paint a picture in which dark and subterranean forces play a desperate part. They want to send a shiver through us and they succeed. But the shiver is one of indignation (loud cheers). These apprehensions may be justified or not. It may be that the desperadoes who bore some little part in lifting the curtain which hid the form of "Justice to Ireland" (laughter) may be at their cruel work again. But civilian England will be as steady under threats of vengeance as her soldiers are steady in the field (cheers). Some people talk about our houses being set on fire. If so, Captain Shaw will have to put them out (laughter and cheers). Others say that the dagger may again be brought into use. If so, we shall make our wills and do our duty (cheers). But it is more likely that those who are politicians and statesmen will be exposed to weapons and missiles with which they are more familiar. A storm of misrepresentation is again coming on, and I do not know to what hail of missiles we may not be subject in that storm. Class prejudice is being pressed

into the service of disruption; and the new democracy are being urged to pass this Bill, as if it were a matter that peculiarly interested them. *That* is not the view we hold. It has been seen in other countries, and will I trust be seen in this, that the British Democracy are as capable as any other class of entertaining strong feelings in support of Imperial unity (cheers). We shall I trust see that the British Democracy will do its duty (cheers). But those who have the ear of the Democracy must not be allowed to preach the gospel that surrender means justice and that capitulation is generosity (cheers). I disclaim and I condemn any policy of class prejudice in this great conflict, in which God knows there are difficulties enough. Our appeal will be made not to one class, but to all classes; not to one party, but to all parties, and that appeal will not be made in vain.'

In that day of fierce contention and of widespread alarm Goschen's language proved a veritable call to arms to men who in more ordinary times would have left political effort to professional politicians.

CHAPTER III

THE ACTION OF LIBERAL UNIONISTS

THE debates in the House of Commons and the publishing to the world of the text of Mr. Gladstone's Bills staggered the thinking portion of the British people. The newspapers day after day and week after week were filled with letters from distinguished men, quite as often from Liberals as from Conservatives, denouncing Mr. Gladstone's policy and demolishing the so-called arguments upon which he had proceeded. Eminent patriotic Irishmen like Mr. Lecky, Constitutional lawyers like Mr. Albert Dicey and Mr. Westlake, hard reasoners like FitzJames Stephen, urged both from the English and the Irish point of view the impracticable nature of Gladstonian Home Rule, and pointed out the dangers and disasters that would result from any attempt to put it in force.

In Ireland itself almost everything that was prosperous and progressive was opposed to it, and that which was most prosperous was most vehement in its opposition. It was said with truth that the elections showed that Mr. Parnell was supported by the large majority of the Irish population. But if the couple of million Irishmen who formed the minority included everything that was Protestant of every class, and almost everything that was prosperous of the propertied, commercial and professional

classes, whether Protestant or Catholic, it is difficult to contend that the majority formed in any true sense an 'Irish nation.' The peasantry of Ireland differ assuredly in some respects from those 'honey bees' who, according to Shakespeare, teach

> 'The act of order to a peopled kingdom.
> They have a king and officers of sorts,'
>
> . . . . .

In *that* commonwealth were grades and classes, magistrates and merchants. Mr. Gladstone had mistaken the Irish Nationalists for the Irish nation, the Irish proletariat for the Irish people. He had not looked beyond Mr. Parnell and his eighty-six votes—admittedly a great power in the lobby at Westminster; but emphatically not the Irish nation. To Irishmen in 1886 it seemed that the passing of the Home Rule Bill, or, in other words, the establishing of a Parnell dictatorship, meant in Ireland anarchy or civil war.

The Home Rule Bill virtually repealed the Act of Union. That great statute had substituted the Parliament of the United Kingdom for the previously existing British and Irish Parliaments at Westminster and Dublin. The principle of Mr. Gladstone's Bill was the opposite of this. It was to establish at Westminster a purely British Parliament from which representatives of Ireland were to be excluded, and a purely Irish Legislature at Dublin which within limits was to make Irish laws and control the Irish Executive. As we have seen, neither at Westminster nor Dublin were Irishmen to meddle with the larger affairs of the kingdom—military and naval defence; foreign and colonial relations; the imposition of their own customs and corresponding excise duties; trade, navigation, etc. Those

forces upon which the execution of the law in Ireland depended were to be under the control of the Irish Ministry and Legislature.

It was only to be expected that a large and very important minority of the Irish people should regard the proposed Gladstonian Constitution with absolute abhorrence. Unfortunately Mr. Gladstone himself, now fairly carried away by his own emotions, saw in Parnellism the only expression of Irish patriotism and political wisdom! The victory of the Irish over the British leader was complete. The latter was convinced that Irish Nationalists wanted only 'autonomy' for Ireland. Mr. Parnell had quite lately said so himself. And in 1886 Mr. Gladstone had implicit confidence in whatever Mr. Parnell might say! British Liberals, as they recalled Mr. Gladstone's previous language, repeated again and again, about Mr. Parnell and his followers, could hardly believe their ears. All of a sudden it had become almost wicked, in the opinion of Mr. Gladstone, to entertain the slightest doubt of the motives of men whom when he was last Prime Minister he had accused of having rapine for their object and 'of wishing to march through rapine to the disintegration and dismemberment of the Empire.'[1] The Irish minority were unaware of any reasons to explain, still less to justify, the complete *volte face* of Mr. Gladstone.

To Englishmen and Scotchmen, however, it seemed that, even giving credit to all Irishmen for more than ordinary human virtue, moderation and patience, Gladstonian Home Rule involved a mass of incongruous provisions and conflicting ideals, which must lead either to a general breakdown and utter chaos in Ireland, or to complete political separation of Ireland from Great Britain.

[1] Speech at Knowsley, October 28, 1881.

To offer Gladstonian Home Rule to any one of our great self-governing colonies would be an insult. Any attempt to enforce the restrictions by the Mother Country would certainly bring about at once the severing of the colonial tie. On the other hand, to propose to Scotland that Scotsmen should not meddle in imperial affairs, should have no part in selecting and controlling the Imperial Government, have no concern in the army and navy, or India or colonies, should not even in their own country be allowed a word as to the taxation of Scottish whisky, is unthinkable. Scotsmen could never be induced to contemplate anything short of complete political equality with Englishmen in the control of the greater interests and destinies of the nation of which they form a part.

How was it then that Mr. Gladstone's strange policy, though at last overwhelmingly defeated, had in its favour so much support? The answer is to be found in the power that belonged to Mr. Gladstone's personality, his complete ascendancy over some of his old colleagues, his long services, his great reputation with the public, the skill with which he played the political game. An outstanding leader of men, with the machine of Party in his hand, can do much in a democratic country, even with almost all the merits of the controversy against him. Colleagues who did not possess more than the toughness of conviction of ordinary politicians were simply swept off their feet by the intensity of the enthusiasms of Mr. Gladstone. 'I had no idea,' said Mr. Trevelyan to a friend when he left the Cabinet, in explanation or excuse for having joined it a few weeksbefore, 'that I was to find Home Rulers in Harcourt and Granville.' Gladstone had begun by winning Lord Spencer, who had given up in despair the hope of maintaining law and order in Ireland now that 'even the Tories' had abandoned coercion.

Then Mr. Gladstone was about to deal with a new House of Commons. In the previous one, elected though it had been under his own auspices, he never would have ventured to launch such a policy. With a new one the atmosphere might be different. New members had got to find their feet, many were there for the first time, and simply because they were 'Gladstonian,' strangers often to the constituencies which had elected them, nominees of the local caucus. Many of these new members were men of great ability, and of no little ambition. Had they had three or four years' experience of the previous Parliament, and of the Nationalist members, they would have been less easily led to embark on the policy sprung upon them. As it was, it was exceedingly difficult for them to do anything but follow Mr. Gladstone, and it must in justice be allowed that whilst in so doing they may have shown their personal loyalty, very few, after their great leader had left the stage, gave much evidence of being actuated by the slightest enthusiasm for the cause of Home Rule itself!

After all, most men, certainly most politicians, believe what they wish to believe, rather than what evidence and strong reasoning would lead them to think. This was conspicuously true of Mr. Gladstone himself. The great leader of the Party proclaimed that Home Rule would produce true union, and settle at once and for ever all Irish difficulties. Undoubtedly he believed this with his whole heart, and he had rallied to his standard several old colleagues, men of character and moderate opinions. The typical 'good Party man' felt that in these circumstances it was not his 'to reason why.' His wishes and his interest, moreover, if not his judgment, impelled him to follow Gladstone. The great majority of Liberal associations, committees and caucuses at once declared for Mr.

Gladstone's Bill, as they would have declared for any proposition which he had chosen to put forth in the name of the 'Liberal Party.' But in accepting Home Rule the caucuses lost the support almost everywhere of large numbers of steady Liberals who in the past had greatly contributed to the success of the Liberal cause. The machinery of the caucus had now been improved and extended on the Birmingham pattern throughout the country, in spite of the warnings of Mr. W. E. Forster and other statesmen who had watched the operation of that system in the United States. Its tendency is to diminish the importance of individual independence amongst electors; and to promote the power of the man or men who have their hands on the handle of 'the machine.' The system undoubtedly tends to lessen the influence of the 'moderate man,' whether Liberal or Tory; to increase the power of the 'ultras' on either side, and to facilitate the obtaining of almost dictatorial power by a Party leader. On each side it helps the extremists. It widens the gulf between parties and increases the violence of party oscillation. In earlier days without the caucus the Liberal Party would not have ventured against its own moderating elements to declare as a Party for Home Rule. In more recent days without the caucus the Conservative Party would hardly in the face of so much steady Conservative disapproval have hoisted once more the old Tory banner of Protection. To this extent Mr. Gladstone succeeded. Home Rule was accepted as the principal aim and object of the Liberal Party. But henceforward, for nearly twenty years to come, it was to hang like a millstone round that Party's neck, and to be associated ever with its discomfiture and defeat. For in winning the caucus Mr. Gladstone had lost the country.

From April 14, when the Bill was read a first time, to

May 10, when Lord Hartington, following Mr. Gladstone in debate, moved its rejection on the second reading, the most intense excitement prevailed all over the country. In London predictions as to its fate, and estimates as to the numbers and steadfastness of 'dissentient' Liberal M.P.s, varied from week to week and from day to day. It was one thing to turn the Bill inside out in debate at Westminster. It was quite a different and a much harder thing to get a hundred Liberals to go into the lobby to turn Mr. Gladstone out of office. At Devonshire House Lord Hartington used to invite Goschen and Sir Henry James and other M.P.s to frequent consultation, and it was very soon determined to start a regular organisation, with a permanent office in Spring Gardens. A Liberal Unionist Committee had been formed in April. On May 22, whilst the debate on the second reading was in progress, a large and important gathering assembled at the Westminster Palace Hotel with Lord Hartington in the chair, and on the motion of Mr. Goschen, created 'The Liberal Unionist Association' and defined its constitution. The chairman stated that the meeting had been called not to discuss the Irish policy of the Government, about which they were agreed, but for the purposes of organisation. It was found to be necessary to form a counter Liberal Association to give definite shape, strength and efficiency to the opinion of a large section of the Liberal Party that was opposed to establishing a separate Parliament in Ireland. Great pressure was being brought to bear on Liberal members by Party associations and committees, and the debate was to be indefinitely prolonged, and the division postponed, by the Government with the express purpose of continuing this pressure. It was therefore incumbent upon them to support Liberal Unionist members, both now and at the General Election

which would probably ensue; for Liberal Unionists were not engaged in making a barren protest, but intended to carry the country with them. So spoke the President of the Liberal Unionist Association. Goschen, in moving his resolution, urged the establishment of branch Liberal committees all over the country, following the example already set in Glasgow, Liverpool, Nottingham, Derby, Bradford, etc., with the definite purpose of resisting the pressure of the local caucus. He was strongly supported by Liberal and Radical members and ex-members of the House of Commons and by several peers, including the Duke of Argyll and Lord Derby. A very strong committee of Liberals was then and there appointed, and a list of their names sent to the Press.[1]

At other periods of English history the course of the nation has been greatly affected by Party cleavage resulting in the formation of new political combinations. At the end of the eighteenth century the so-called 'Portland Whigs,' under the inspiration of Burke, found it impossible in the trying days of the French Revolution to follow Fox. Their action enormously increased the power of Pitt, and rendered for very many years to come the formation of a purely Whig Government absolutely impossible. When at length the great war was finally over, and the country saved from foreign peril, domestic questions regained their importance, and at first gradually, and then rapidly, men who had stood by Tory Governments in the hour of national peril, turned again to the side of the Whigs and Reformers. Half a century after the rupture between Fox and Burke, and the schism in the Whig ranks, it was the turn of the Tories to suffer disruption. The conversion of Sir Robert Peel and the ablest Conservative statesmen to Free Trade was, not perhaps unnaturally, bitterly resented by the majority of

[1] See Appendix I.

Tories, who clung to the cause of Protection. The Peelites could not, of course, form a Government; but they succeeded in their object of making a return to Protection, or the formation of a Protectionist Administration, impossible. When Protection ceased to be a national danger in consequence of its total abandonment by Conservative statesmanship, there was no longer any reason for the existence of a third group, and its members naturally drifted to one or other of the great political Parties into which the country was divided. In each case the secession was justified by its results. Whatever may have been the fortune of seceders, the cause for which they seceded was victorious. A third great schism was now at hand. Nothing else than a split in the Liberal Party could save the unity of the United Kingdom. But were the political conditions in 1886 such as to promise to an alliance between Conservatives and Liberal dissentients a fair prospect of success?

The state of things in the House of Commons and the country in 1886 was very unlike that which had existed either in 1792 or in 1846. Still, on every such occasion there is always one condition absolutely essential to the success of a new combination. Each of the allies must be prepared to yield something in order to gain an object common to both. Unless that object is valued so highly as to make men willing to forego some at least of their other Party or personal preferences, the alliance cannot stand. With our modern democratic Party system combinations do not depend nearly so much as formerly on the personal convictions or opinions or conduct of a few leading men in the two Houses of Parliament. A statesman must carry with him the support of a substantial body of the electors or he is powerless. Accordingly, in the spring of 1886 Lord Hartington and Mr. Goschen were busily engaged in

building up a party in the country consisting of Liberals who were determined so long as the Union was in danger to make its maintenance the first object of their political action.

It was clear that the battle in the country, whenever it should come, would be fought by both sides in desperate earnest. In the third week of April the appearance of Lord Spencer and Mr. Morley side by side on a Home Rule platform at Newcastle testified to the completeness of the former's conversion from the most convinced Unionism to the most ardent and implicit belief in Gladstonian Home Rule. On the other hand, there took place in Edinburgh an immense gathering of Liberals on April 30, presided over by Lord Stair and addressed by Lord Hartington and Mr. Goschen, by Professor Calderwood, the leader of the Scottish Disestablishment movement, by Liberal Members of Parliament and others. Most of the old names associated with Scottish Liberalism were represented personally or by letter at the meeting, and though some Home Rulers were present the enthusiasm and swing of the great assemblage and its 'overflows' were unmistakable, and gave good augury that Liberals would largely merge minor differences in order to save the Union. This is no time, said Goschen, for Scotsmen to let themselves be governed by vague phrases—'Justice to Ireland,' 'Generosity to Ireland,' 'Irishmen managing their own affairs.' Let us take the phrases to pieces in the light of Mr. Gladstone's Bill and ascertain for ourselves what of justice or generosity is in it, and what is to happen to Irish affairs, and to our own affairs, after a Parliament has been set up in Dublin. At Glasgow (where the Duke of Argyll had spoken a week earlier) the same evening Mr. John Morley maintained the Home Rule cause in a region where he doubtless hoped that the transfer to Mr. Gladstone of

the Irish Nationalists, so bitterly hostile to him a few months before, would show great results at the next General Election. Goschen entered into the campaign with amazing zeal, replying on May 1 at Paisley to Mr. Morley at Glasgow, and on May 4 following Lord Spencer, who had spoken at the same place the previous evening. The next day, at Preston, Goschen delivered another heavy attack on the Government policy, which, he declared, tended directly to the disintegration of the empire. Up to the date of this campaign men had hardly realised in Goschen's speaking, always of a very high order, his power to stir so greatly the feelings of his audience. Now it was seen that he had the gift of communicating to others something of his own patriotic zeal and fire. He spoke as no ordinary Party advocate of an official political programme framed to catch votes, but as one who was making an appeal above Party to all, Liberals or Conservatives, he cared not which, who, for the sake of the interest, the welfare, the honour of the whole nation, would stand by the cause of the Union. Wherever he went he found Liberals in thousands ready to follow the standard which Lord Hartington had raised.

The Liberal Unionist leader himself had had, at the latter end of April, a somewhat mixed reception from his constituents at Rossendale. A strongly Liberal constituency naturally deprecated any suspected approximation towards the Tory Party on the part of their representative. Lord Hartington spoke with his accustomed frankness. In attending along with Lord Salisbury the great meeting at the Opera House, he had given, he said, no kind of adherence to Conservative principles.

'I have retracted no word of condemnation or censure which I have uttered in regard to Conservative policy, and

in regard to any question which is at issue between Liberals and Conservatives outside this question of the future government of Ireland, I hold that I am as free and uncommitted as ever I was. Much as I value the unity of the Liberal Party, I value the unity of the British Empire much more, and I will not be prevented by any party consideration from doing what in my opinion may be best fitted to maintain that Union.' [1]

Mr. Chamberlain's position was one of exceptional difficulty. To the Land Bill he had the most fundamental objections—to pledging the capital of the United Kingdom in order to overcome the opposition of a small class of Irish proprietors to a scheme which, if it remained unchanged, would lead to the complete separation of Ireland from England. He would rather retire from political life altogether, he said, than support the Land Bill. As regards the Home Rule Bill, his position was altogether different. His opposition to that measure was only conditional, and was chiefly to its form. He hoped that Mr. Gladstone would accept modifications, and in that case he would greatly rejoice in giving him support. The well-trained Liberals of Birmingham gave a really touching example of their confidence in their local representative, and in the great leader of their Party, declaring that that confidence remained entirely unshaken both as regarded Mr. Chamberlain and as regarded Mr. Gladstone!

Mr. Gladstone was far too experienced a statesman not to have gauged pretty truly the dislike in Great Britain to his Irish proposals on their merits, and he had not the slightest intention of leaving the issue to be decided upon them. The struggle was accordingly represented to be between the general good of the people and the special

[1] See *Annual Register* for 1886.

interests of limited classes. Home Rule was to be the test of 'Liberalism.' Every cause taken up by the Liberal Party in the past had ultimately, it was said, always prevailed. Liberals who determined to stand by the Union were not Liberals at all, but were deserters from Liberal principles and from the Liberal chief. The obvious absurdity of all this did not prevent its telling with vast numbers of the electors. It was true that Liberal causes had in the past prevailed; but that was not because they were labelled 'Liberal,' but because Liberal ideals used to be in conformity with the facts and needs of the time. To give up the principle of the unity of the three kingdoms was to march backwards in an attempt to revive conditions not compatible with the progressive advances of civilisation, which for generation after generation had been tending to break down the obstacles that had kept Englishmen, Scotsmen, and Irishmen apart. It was hardly possible that at the end of the nineteenth century a spirit of 'Particularism' should take firm root amongst us. Still, the cry of the 'Masses against the Classes,' the waving of the Party flag, and the great personality of Mr. Gladstone made a formidable combination, which it would clearly tax all the energies of Conservatives and Liberal Unionists to defeat.

It was very soon evident that Lord Hartington and Goschen could count on the assured support of a solid body of Liberal members to oppose the second reading. There were, besides these, a certain number of 'waverers' who frankly disliked the Bill, but whom Party pressure might induce to vote for it, or at least not to vote against it. For a long time the Government indulged hopes that Mr. Chamberlain, who had always called himself a Home Ruler, might vote for that principle on the second reading, Mr.

Gladstone giving an undertaking to introduce considerable modifications at a later stage of the Bill. On May 10, in moving the second reading, Mr. Gladstone showed himself little inclined to make substantial concessions, and Mr. Chamberlain two days later, at a meeting of his supporters at his own house, expressed his surprise and regret that the Prime Minister still adhered to the proposal to exclude the Irish Members from Westminster. Much indignation was expressed on the subject of the pressure which was being brought to bear on individual members. Great heartiness was shown towards Lord Hartington, and a spirit of hopefulness prevailed that Whigs and Radicals would be able to co-operate cordially, and in case of the defeat of Mr. Gladstone would be strong enough to support a Hartington and Chamberlain Ministry. On the 14th a still more important gathering was called at Devonshire House. It was attended by Sir Henry James, Mr. Trevelyan, and Mr. Chamberlain, but Goschen was absent owing to attendance on a Committee. Sixty-four Liberal members were present, and nine others, unable to attend, wrote in entire sympathy with its objects. Lord Hartington presided. He expresed his belief that he and Mr. Chamberlain had arrived, though by somewhat different routes, at very much the same conclusions. For his own part, he was determined to vote against the Bill; 'modifications' might even make it, if possible, worse than it was, and he declined altogether to regard it as a mere abstract resolution. He would treat it as it was—a definite legislative proposal to create a new system of government. Mr. Chamberlain's manner, more perhaps than what he said, showed much animus against the Ministry, and the result of the gathering was to make manifest that its feeling was practically unanimous against any sort of compromise with the Government. The Bills

must be either withdrawn or rejected. In a singularly sanguine spirit Mr. Chamberlain declared that 110 Liberals were pledged to vote against the second reading, and he expected a majority of something like seventy against Ministers—a far more hopeful estimate than was ever indulged in at the headquarters of the Liberal Unionists in Spring Gardens, where, according to the most careful reckoning at that time, the probable majority was put at about thirty.

Gladstone was, however, by no means at the end of his resources. The debate on the second reading was continued on Government nights only—two days a week—and it appeared to be the wish and the tactics of Ministers to prolong it indefinitely. On May 27 the Prime Minister called a meeting of Home Rule Liberals at the Foreign Office—the first official Party gathering from which Liberals who refused to accept Gladstonian Home Rule were excluded. This restriction of invitations gave much offence to those whose attendance was not asked; but it is difficult, having regard to the position that now existed, to blame Mr. Gladstone for treating as his supporters those only who supported Home Rule. Some 280 Liberal members met the Prime Minister. Mr. Gladstone's speech showed a good deal of sympathy with those who had assumed a critical attitude towards certain details of the Bill, if they could only persuade themselves to accept the principle of a legislative body in Dublin to deal with Irish affairs. He had, indeed, no expectation that he could satisfy the objections of Lord Hartington and Lord Salisbury; but addressing himself rather to those whose objections were less fundamental, he argued that in accordance with recognised parliamentary principles they at least ought to vote for the second reading, and press for

amendments in Committee. He was willing to give up the exclusion from Westminster of Irish representatives, though this would involve a 'liberal change' in the construction of a portion of the Bill. He would also regard with an open mind proposals to adjust on fair terms the burdens and rights of taxation to be assigned to the Parliaments at Westminster and Dublin. The affirmation of the Home Rule principle by a vote on the second reading he regarded as of the utmost importance. When that had been given, as it was manifestly impossible to pass the Bill that Session, Parliament would be adjourned or prorogued till the autumn, when the Bill would be considered in Committee, or a new Bill with the necessary amendments introduced, as the case might be; and he indicated his own preference for the latter procedure. Mr. Whitbread, ever the most faithful and useful of friends to his Party when it was most in distress, urged all who approved the Home Rule principle to support on this vital occasion the Liberal leader, whatever they might feel as to many details of the Bill.

Thus to some extent a new situation was created. The Land Bill, if not actually dead, had taken a back place, and Mr. Gladstone seemed to be giving way on Mr. Chamberlain's *sine qua non*—the retention at Westminster of the Irish members. To Lord Hartington and Mr. Goschen, and the great bulk of Liberal Unionists, the retention of the Irish members *plus* the establishment of an Irish Parliament, tended to make the Home Rule project more impossible — nay, more ridiculous — than before. But how would it affect Mr. Chamberlain and his followers, who for the most part considered themselves Home Rulers and accepted the principle of a Legislature in Dublin? In the House of Commons next day, Sir

Michael Hicks Beach, leading the Opposition, moved the adjournment of the House, and some very warm speaking on the strange position in which it then stood took place—the debating at length of a Bill which was to be abandoned the moment after it had been accepted. Lord Hartington, in a very vigorous speech, supported Sir Michael, and extracted from the Government that it was their intention after the second reading to *prorogue*. 'There is no precedent,' said the Liberal Unionist leader, 'that the Prime Minister, with all his parliamentary experience, can produce for asking the House to vote for the second reading of a Bill that is dead!'

It was now very generally believed that Mr. Chamberlain would abstain from voting and would ask his friends to do the same. On Saturday, May 29, the Liberal Unionist Committee met at Spring Gardens, amongst those present being Goschen, H. Brand, G. O. Trevelyan, Sir R. Blennerhassett, A. Grey, H. Hobhouse, A. Elliot, etc., and it shows the uncertainty of the time that a suggestion was seriously thrown out that all opponents of the Bill, Conservatives and Liberals, should walk out from the second reading division, and thereby indicate that they refused to treat seriously a measure that was to be at once dropped. The suggestion found no favour. A careful estimate was then taken of the position. Lord Hartington, it was calculated, would as a matter of certainty lead into the lobby sixty Liberals, and supposing that (as was then expected) Mr. Chamberlain and some forty other Liberals walked out, the Government would carry the second reading by nine votes. This was putting things at their worst, and on the assumption that Mr. Chamberlain's supposed following would agree in, and act upon, the policy of 'walking out.' There was, however,

strong reason for believing that in any case a contingent of them would vote with Lord Hartington, and that therefore the Bill would be defeated by a small majority.

It very soon appeared that Mr. Gladstone, skilful as his management had been, had by no means succeeded in abating Mr. Chamberlain's hostility to the Home Rule Bill. As Mr. Barry O'Brien puts it, the negotiations between the two statesmen proved abortive, because in truth Mr. Gladstone was, and Mr. Chamberlain was not, a Home Ruler. On the last day of May, Mr. Chamberlain called a meeting of his friends in one of the committee-rooms of the House of Commons to consider what action they should take on the division. It was attended by some fifty-four Liberals, of whom, however, it was known that a certain number would certainly, in any case, vote with Lord Hartington. Mr. Chamberlain expressed his personal preference for taking no part in the division; but hoped that they would all follow the course which the meeting approved. Any doubt as to what the meeting might decide, if it ever existed, was entirely put an end to by the reading of a strong letter from Mr. Bright, who declared his own intention of going into the lobby against the Bill. Mr. Trevelyan gave similar advice, and it appeared that of those present a very large majority would oppose; whilst four members would abstain, and three would vote with Mr. Gladstone.[1]

On the following day (June 1) Lord Hartington's friends once more, with almost complete unanimity, reaffirmed their determination to resist the Bill, and the committee at Spring Gardens, who now had all the facts before them, concluded that they might safely rely on their previous somewhat hypothetical estimate of a majority of thirty

[1] See *Times*, June 1, 1886.

against the Bill. The same afternoon the debate was renewed by Mr. Chamberlain in a very powerful and effective speech, though many of those with whom he was acting could not but regret his saying that had a resolution in favour of Irish autonomy been before the House he would have voted for it, though probably the meaning he would attach to it would not be that of Mr. Gladstone or the Nationalist members.

In the supposed interest of the Government the discussion on the second reading was still kept going. Goschen was holding himself in readiness, but in reserve. Monday, June 7, was to be the last night, and on that afternoon he resumed the debate, at once calling the attention of the House to the accumulation of strange incidents that had occurred since it began. After all these negotiations, explanations and re-explanations, statements by the Prime Minister at the Foreign Office, and the correspondence published in the newspapers about the Bill, the House, he said, hardly knew where it now stood in regard to Mr. Gladstone's proposals. Was the Land Purchase Bill still an inseparable part of the scheme? What was to be done about Ulster? Was any attempt to be made to protect the Protestant and other minorities in Ireland from a tyrannical majority? Almost before the ink was dry the Bill was to be torn up, and the House was invited to vote on an abstract resolution without having any knowledge of what the reconstructed Bill would be like, whilst at the same time they were pledging themselves to it! 'The Prime Minister was indignant the other day when it was said he was going to reconstruct his Bill.' Mr. Gladstone vehemently shook his head in denial. 'I thought it looked like it,' Goschen resumed; when Mr. Gladstone, interrupting, at once sprang to his feet. 'That

is a rather gross error,' he explained amidst loud Home Rule cheering. 'What the right honourable gentleman thinks looked like indignation was an eager repudiation by me of the cool statement that I had promised to reconstruct the Bill (loud Home Rule cheers).' Goschen: 'I see the distinction (laughter). Then he is not going to reconstruct the Bill!' But Goschen pointed out that several members had said they were going to vote for the Bill *because* it was going to be reconstructed! 'Well, are the Government going to stand by their Bill, or are they not (much laughter and cheering)? . . . This is the confusion that comes from being asked to vote not on a Bill, but on explanations!' The system sketched by the Government of a separate Cabinet and Executive in Ireland was bound, he said, to produce friction, and ultimately confusion.

'It has been assumed that if you grant Home Rule to Ireland the grant will be followed by smiling plenty in every part of the country—that the land question, that the poverty of Ireland, and all those causes of misery which reach so deep down into her social system will vanish. But is this so? Can you hope that the poverty of Ireland will be cured, when she has been, so to speak, cut adrift from the richer country? Do you think that there will be no discontent, that that discontent will not culminate in agitation, and that that agitation may not once more be used as an argument for a further disturbance of the settlement, and ultimately for separation?'

Goschen protested with vigour against the attempt of the Prime Minister to win popularity for his Irish policy by an appeal to the prejudices and jealousies of class. 'There are some old rafters which are holding the framework of British Society together; but fling them into the fire! Steam we must have, or else we cannot have our

Bill!' The impressive words with which he concluded a speech throughout of much power and eloquence, deserve to be quoted verbatim.

'Sir, the democracy of this country is now enthroned for the first time, so to speak, in office, and it has to face for the first time this tremendous responsibility. I say, do not let it be hustled into a fatal and irrevocable step. Do not let the first chapter in this new volume of our history open with a breach in the Constitution, and with a sapping of the foundations which bear the weight of this colossal Empire. I said that this step was irrevocable? Why is it irrevocable? We may summon back the members from Ireland for a special purpose, or we may summon them back in order to modify the Act we are now passing. But depend upon it, if they are so summoned back, they will be summoned back not to tighten the bonds but to widen the breach; and so I say it is an irrevocable act. We are maiming for ever the Constitution of this country, and let us remember we are but life trustees. Let us remember too with reference to foreign opinion, that no foreign country ever has had, or has now, a Parliament such as ours. We are told of Colonial opinion. But the legislative assemblies of the Colonies are not like the Mother Parliament. We are told of the legislative assemblies of former centuries, but they had not the duties, the privileges, the responsibilities of ours. They did not hold in their hands, as we do, the supreme and concentrated powers of the State. So I say, remember that we are life trustees. Let us feel that we are bound to hand on that glorious possession which we have inherited unimpaired and unimpeached, without waste and detriment, to those who are to come after us. I implore this House, by the traditions of which we are the heirs, by every present obligation of duty and honour, by our hopes in the mighty and beneficent future of this great Empire, by our duty to the Sovereign who rules over these realms, I implore this House, let us look

to it that those who come after us may bear witness that we have not betrayed our trust.'

Mr. Parnell followed on the same moderate lines, so far as regards Irish claims to 'autonomy,' as had marked his speech on the first reading, and in significant contrast, it must be said, to the language which he had always held to his own countrymen and conspicuously during last autumn, before Mr. Gladstone's surrender. Under the Bill he maintained that the British Parliament would retain all the powers over Ireland that it now possessed, and he suggested that no leader of Irish opinion on either side of the Atlantic objected to the limitations, or the subordination of the Parliament in Dublin to the Parliament at Westminster. The only alternative to the acceptance of Mr. Gladstone's proposal was the total disfranchisement of Ireland, and its government as a Crown colony. Sir Michael Hicks Beach, as Conservative leader, wound up the debate on his own side, vehemently repudiating the assertion of Mr. Parnell that Conservative leaders had themselves, before the General Election, been in negotiation with him on the question of establishing Irish autonomy, and the passing of a land purchase scheme on an even larger scale than was proposed by Mr. Gladstone.

The Prime Minister's speech, in its eloquence, in its appeal to lofty motives and high feelings, was that of a great parliamentary orator. He felt the greatness of the occasion, and the truth of every word that fell from him. In his belief no such golden moment had occurred to put an end for ever to the discord between Ireland and Great Britain since Lord Fitzwilliam's mission to Ireland ninety years before. The opportunity had been lost

then owing to the perversity, the bad faith of England, and the narrowness of Irish faction. Must it be lost again now? He admitted that those who opposed him had on their side power, wealth, rank, organisation.

'We think that we have on our side the people's heart; we believe and we know that we have the promise of the future. As to the people's heart, you may dispute it, and dispute it with perfect sincerity. Let that matter make its own proof. As to the harvest of the future, I doubt if you have so much confidence, and I believe there is in the breast of many a man who means to vote against us to-night a profound misgiving, approaching even to a deep conviction, that the end will be as we foresee and not as you—that the ebbing tide is with you and the flowing tide with us. Ireland stands at your bar, expectant, hopeful, almost suppliant. Her words are the words of truth and soberness. She asks a blessed oblivion of the past, and in that oblivion our interest is deeper than even hers. My right honourable friend Mr. Goschen asks us to-night to abide by the traditions of which we are the heirs? What traditions? By the Irish traditions? . . . Are these the traditions by which we are exhorted to stand? No, they are a sad exception to the glory of our country. . . . Ireland asks a boon for the future which, unless we are much mistaken, will be a boon to us in respect of honour no less than a boon to her in respect of happiness, prosperity, and peace. Such, Sir, is her prayer. Think, I beseech you, think well, think wisely, think not for a moment, but for the years that are to come, before you reject this Bill.'

Mr. Gladstone sat down at about a quarter-past one. The Government Whips had not yet given up all hope, and it was with feelings very highly strung that members filed off into the division lobbies. In the galleries, in the

outer lobbies and in the streets men awaited with intense anxiety for the result. It was Lord Hartington who had moved the rejection of the Bill, and he had named as his 'tellers' two well-known Liberals—Mr. Brand belonging to the Whig, Mr. Caine to the Radical, section of that Party. When the Clerk at the Table handed to Mr. Brand the paper containing the numbers polled—the sign that on his side was the majority—the pent-up feelings of members could no longer be restrained, and for many minutes the four tellers remained standing in a row facing the Speaker till the cheering and shouting subsided sufficiently for Mr. Brand to announce the numbers. He was son of the late Speaker, formerly and for many years himself the Chief Whip of the Liberal Party. For the best part of a generation, in every great battle in the House of Commons, the Liberals had been 'told' by the elder 'Mr. Brand.' It was of bad augury to the Party that in a division more important in its consequences—in that which it caused, and that which it prevented—than any in which his father had taken part, the name of Brand should, by his son, be associated as teller with the victorious opposition to a Liberal Ministry.

At length the numbers were read out. For the Bill, Ayes 311. Against the Bill, Noes 341. Majority 30. The reckoning of the Liberal Unionist Committee had proved correct; for they had been able to trust their men. The Home Rule Bill was at an end. It had been rejected by a House of Commons in which Liberals and Irish Nationalists formed a very large majority. Ninety-three Liberals, including tellers, had voted against the Bill in the same lobby with 250 Conservatives. Of British Liberals 267 had voted for the Bill. To those acquainted with parliamentary life the fact that

nearly a third of one of the great parties goes into the lobby with its opponents against its chief, the Party whips, and the wishes of local Party committees, is sufficient evidence of the strength of political opinion in the country which was ranging itself against Mr. Gladstone.[1]

Mr. Gladstone at once determined to dissolve.

[1] See Appendix II.

CHAPTER IV

THE UNIONIST ALLIANCE

WHILST the great debate in the House of Commons had been in progress the Liberal Unionist Committee, now installed in Spring Gardens with Mr. F. Maude as their secretary, had not been letting the grass grow under their feet. Mr. Albert Grey, Mr. Alfred Milner, and Mr. A. Craig Sellar were specially indefatigable from the first in their efforts to gain recruits and win support, and were constantly in personal and written communication with Goschen. It very soon appeared that not much way would be made in the creation of a powerful organisation unless those who led the movement in Parliament would publicly put themselves at the head of it. A great step had been gained when the Committee of Liberal Unionists became the representatives of a formally constituted association, and when support could be asked for in the names of such eminent Liberal statesmen as Lord Hartington, Mr. Goschen, and Sir Henry James, to whom were very soon added a large proportion of the best known and most respected names on the Liberal side of politics—of men in and out of the House of Commons and of Peers. After the announcement of the dissolution the regular attendance of M.P.s in Spring Gardens naturally became very difficult. Lord Camperdown, however, active from the very beginning and always

in intimate relations with Goschen, remained in Town; Lord Monteagle rendered valuable assistance. Mr. Henry Brand occasionally looked in, whilst an informal and general supervision was exercised by Mr. Milner, whose services in the early days of the Association it is impossible to overestimate. It was the duty of the committee to establish branches and agents in the country, to give information, to issue literature, to provide the sinews of war, to send speakers to assist Unionists, whether Liberal or Conservative, against Home Rulers. Ultimately the Liberal Unionists became a very well-organised and efficient body. The Literary Department, in which Mr. St. Loe Strachey, the editor of the monthly *Liberal Unionist* newspaper, was the chief personage, ably assisted by Mr. Henry Hobhouse and a number of volunteers, did excellent work, and their productions are still good reading. In the matter of leaflets and electioneering literature, the Liberal Unionist Association in those primitive and unsophisticated times prided itself on taking the greatest pains to prevent inaccuracies, exaggerations, or misleading statements obtaining circulation under their auspices. Mr. Chamberlain at the end of April did not see his way to join the Liberal Unionist Committee, though he sent a friendly letter to the secretary; and he was soon busily engaged in establishing a Radical Unionist Association of his own, which gained a good deal of support in the Midlands.

The division on the second reading had cleared the air. The Party situation had hardened. Between Gladstonians and Liberal Unionists there was now open and declared war. The time for compromise was past, and each side prepared to fight the battle out in the constituencies. Yet it was with a pang of regret that the majority of Liberal 'dissentients,' as Mr. Gladstone used to call them, took up

arms to resist their old leader. His speeches in the House of Commons in support of his policy had not, perhaps, lessened his reputation as an orator, and they displayed as heretofore the greatness of his ideals and the nobleness of his enthusiasms. But the question which Liberal members who felt their responsibilities had to ask themselves was not whether they considered Mr. Gladstone a great and good man, but whether they could take him as a safe guide for the nation. Although he was in his seventy-seventh year, his passionate earnestness in any cause which he embraced had not diminished. Of that his speeches gave ample evidence. But in judgment, in the power of seeing things as they were and in proportion, in meeting the reasonings and answering the practical questions of statesmen like Lord Hartington and Goschen and Bright, these speeches were deficient indeed. In his speech before the great division the House was told, amid the loud cheers of Home Rulers, that self-government had always carried everything everywhere —the Lebanon, Samos, Iceland, Roumania, etc.! In earlier speeches the brilliant examples of Austria-Hungary, and of Sweden and Norway, had been held up to admiration! There was besides, it was clear, no limit to his confidence in the patriotism and wisdom of Mr. Parnell and his followers. It had become too evident that Mr. Gladstone's Home Rule Bill could only be carried by faith, not by force of reason—by faith in Mr. Gladstone. And that faith with Liberal Unionists was at an end.

The Conservatives and Liberal Unionists were absolutely essential to each other in the struggle that had now begun. The former, even with the weight on their side of the Irish Nationalists, of no little importance in the Lancashire towns and in the West of Scotland, had just been heavily beaten. The new elections were to take place on the same

register. It was all important, therefore, for Conservatives to show that the General Election was no mere contest between them and the Liberals, but was on quite a new issue —that between Home Rule and the Union. During the progress of the elections the newly constituted Liberal Unionist Association was driven almost wild by the endless appeals of Conservative candidates for the assistance of Liberal Unionist speakers. 'One would think,' writes Lord Camperdown to Goschen early in July, 'that they must themselves be afflicted with dumbness!' 'Hozier,'[1] the new secretary to the Liberal Unionist Association, 'has done his work splendidly.' On the other hand, the Liberal Unionists could hardly anywhere have held their seats except with the hearty co-operation of Conservatives. Only a few months before, these new allies had been engaged in fierce conflict, and only the sense of great and pressing danger to the country, and the admirable example set by Lord Salisbury and Lord Hartington in sinking minor causes of difference in order to stand by the Union, could have induced them to co-operate.

Liberal Unionists, leaders and followers alike, whilst eager for alliance, had, however, no intention whatever of merging themselves in the Conservative Party. They were proud of the name of Liberal and of the great achievements in the past of the Liberal Party. They looked forward to a reconstructed Liberal Party, purged of the Home Rule heresy into which in his old age Mr. Gladstone had led it. They were themselves not only not Conservatives; they were the true Liberals, and they claimed that their leaders and their associations, not the strange combination between Mr. Gladstone and Mr. Parnell, were the true exponents of Liberal doctrine. The names of Hartington and Goschen, of Bright

[1] The late Colonel Sir H. M. Hozier, K.C.B., the author of *The Seven Weeks' War*.

and Chamberlain in combination counted for something, even though Mr. Gladstone and the caucus were on the other side.

'I am not in opposition to the views of the Government more on account of England than of Ireland,' wrote Mr. John Bright.[1] 'No Irish Parliament can be so powerful or as just in Ireland as the United Parliament sitting at Westminster. I cannot trust the peace and interests of Ireland, North and South, to the Irish Parliamentary Party, to whom the Government now propose to make a general surrender. My six years' experience of them, of their language in the House of Commons, and of their deeds in Ireland, makes it impossible for me to consent to hand over to them the property and the rights of five millions of the Queen's subjects, our fellow-countrymen, in Ireland. At least two millions of them are as loyal as the population of your town, and I will be no party to a measure which will thrust them from the generosity and justice of the United and Imperial Parliament. . . .'

The division took place early in the morning of June 8. On the 10th it was announced that Parliament would be immediately dissolved, and the following week members had dispersed to their constituencies, and the country was already ringing with the sound of the great conflict. The extraordinary conditions of the struggle made it more impossible than usual to forecast results. Goschen had achieved for himself in Scotland a great position; but his constituency lay in the very centre of Gladstonian influence, and it was the dearest wish of Gladstonians to punish a statesman who had just defeated in Parliament the Prime Minister and member for Midlothian. Still, the fact that three out of the four members for Edinburgh had voted against Home Rule was encouraging to Unionists.

Goschen issued his address to the electors of East

[1] Address to the electors of Central Birmingham, July 1886.

Edinburgh on June 17, 1886. He referred to his speeches at the previous election which emphatically condemned the policy of establishing a separate Legislature in Ireland. He now entirely denied that the only alternative lay between simple repression and Mr. Gladstone's Home Rule Bill. In Ireland, as well as in England and Scotland, he advocated a large measure of decentralisation, and would encourage local bodies to manage purely local affairs, subject to the ultimate control of the Imperial Parliament.

'I object to a separate Legislature in Dublin withdrawn from the habitual and effective control of the Imperial Parliament. I object to the establishment of an entirely separate Executive in Ireland, responsible not to the Parliament at Westminster but to a Parliament in Dublin. These objections I should hold in respect of any portion of the United Kingdom. But in the case of Ireland I especially object to the withdrawal of the control of the police and the administration of justice from the impartial hands of the Imperial Executive; and I do so not, as has been unjustly alleged, because I believe in any innate disqualification of the Irish people for the management of their own affairs, but because long-standing differences of race and creed and class have produced a situation too difficult for the untried and partisan authorities to whom the measure of the Government would hand over exclusive and unrestricted power. I hold that the Imperial Parliament is not justified in parting with its responsibility under such circumstances, or in handing over a minority, amounting to nearly one-third of the people of Ireland, to a rule against which they passionately protest, and from which they are deeply convinced that they have to fear injury to their dearest interests.

'Ministerial apologists habitually evade this difficulty. They press the point that the grant of autonomy has pacified other countries. But no analogies from autonomy granted to homogeneous populations can be fairly applied to a case

where an important part of the people, including some of its best energies, prefer the Imperial connexion to a Home Rule, which would be a foreign rule to them. The minority in Ireland has appealed to the people of Great Britain, where feuds of race and creed happily no longer exist, not to withdraw that Imperial protection to which they conceive they have an inalienable right. Justice to Ireland must not mean injustice to one-third of her population.'

The real question at stake, he stated at the end of his address, was 'the supremacy of the Parliament of the United Kingdom.' His great stand-by—Mr. A. L. Bruce—and Goschen's other friends in Edinburgh became confident of victory, knowing that so many of the best men—Whigs, Conservatives, Radicals—were keenly united in his favour. Mr. Alfred Milner, though longing to be in Edinburgh with his chief at such a time, felt that the work he was doing for the Liberal Unionist Association in London must keep him there. Of the general activities and progress of that body he was writing almost daily accounts to Goschen, and at the same time urging him to further efforts. 'Cannot you speak next week at Spalding, or Weymouth, or Taunton?' he wrote to Goschen on Saturday, July 3; 'It is of the utmost importance. . . . All good wishes for Monday. I have *no fear* for East Edinburgh.' The meetings had been everything that could be desired. Goschen's opponent was a well-known Edinburgh man of considerable ability—in his younger days minister of the Greyfriars, more lately editor of the *Scotsman*, and subsequently a London barrister, in none of which avocations, however, had he won sufficient distinction to make his opposition to a statesman of Goschen's eminence and character seem otherwise than a joke. The polling was on Monday, July 5. The ballot boxes kept their secret well; and when it was declared

that Goschen, whose majority in November had been 2408, was defeated in July by one of 1440, astonishment and consternation amongst Unionists were universal.

The blow to the Unionist cause was a heavy one. Later the same week came another blow—the defeat of Mr. Trevelyan in the Border Burghs, a seat which he had represented for eighteen years. The feeling of depression began to deepen into despair, especially amongst the many who failed to remember that the largeness of the majority by which a Liberal had been returned in November only added to his difficulty in retaining the seat as a Liberal Unionist in July. As a matter of fact, in the East Edinburgh and the Hawick elections the Gladstonian majorities had been immensely diminished by reason of Mr. Gladstone's having embarked on his Home Rule policy. In Scotland a much larger proportion of votes were lost to Mr. Gladstone than elsewhere, speaking generally; but, to begin with, the predominance of Liberals over Conservatives had been so great that the transfer of votes failed in the majority of cases to transfer the seat. The General Election as a whole, both in England and Scotland, went well for the Unionist cause. In Birmingham all the seats under the influence of Mr. Chamberlain were held for the Union. Mr. Gladstone did not venture to face the House of Commons which, in response to his own appeal to them, the people had returned to Westminster. Even before the elections were completely over Gladstone had tendered his resignation. It was promptly accepted by the Queen, and the Home Rule Ministry was at an end.

Goschen bore his defeat with dignity and courage, remembering in his own misfortune the triumph of his cause.[1] Friends and allies were bitterly disappointed.

[1] See his speech on declaration of poll.

From these innumerable letters reached him, as well as many from correspondents quite unknown to him—admirers of his public conduct. All deploring the loss to the House of Commons of a statesman who, at such a time, could be ill spared. The mere names of those who wrote to him are sufficient to show what a large amount of the brains and character of the Liberal Party had been driven into opposition by Mr. Gladstone's fatal policy. No political party surely could afford to lose such elements of its strength and still expect to hold its own in the country! And with no undecided voice the country as a whole was now speaking.

It was not the first time that the electors of Edinburgh had driven from their city a statesman of whom the nation was justly proud. The rejection of Macaulay by the capital of Scotland in 1847 seems, in the light of after years, an act of almost incredible unwisdom and wrong-headedness. The egregious folly of 1847 was paralleled by the action of the electors in 1886. Many of the best and most distinguished citizens of Edinburgh expressed in no measured terms their feelings of shame and indignation at Goschen's defeat. In their eyes it was a disgrace to Edinburgh and to Scotland. The blow to Goschen himself was not irreparable. The country needed his services, and he would, of course, obtain a seat elsewhere; but the pride of Edinburgh was wounded in a tender place, and no small number of its most noted public men, as several of them put it, 'hung their heads in shame.'

Macaulay tells us in a noble poem how, when

> 'The day of tumult, strife, defeat, was o'er,'

he turned from politics to find consolation in the paths of literature. But Goschen could not, if he would, leave the front of the battle. The cause, which largely owing to him was now a winning one, stood in desperate need of his

services. One of the ablest generals had, it is true, been temporarily disabled, but he had not been slain, and would soon again come rushing to the field. Lord Iddesleigh recalls in his letter of condolence Killicrankie and Dundee, Lady Abercromby Lützen and Gustavus Adolphus, and then each correspondent hastens to remind him that the parallels are fortunately imperfect, since he still remains alive to lead the army which defends the Union. Assuredly it never occurred, either to Goschen or to anyone else, friend or foe, that the poll in East Edinburgh had made him *hors de combat.*

'Goschen supplies in the main, soul, brains, and movement to the body. Can Hartington get him a seat? Can he form a government without him? Ought we to wish a Salisbury or a Hartington government?' So wrote Mr. Gladstone to Lord Granville on hearing of Goschen's defeat.[1] What, however, was the explanation of that defeat, and why should electors in July 1886 have turned their backs on the man, or on the political principles, they had so cordially accepted in 1885? Goschen had used exactly the same language in November and in July on the subject of the Union. And it was on the question of the Union that the Prime Minister had appealed to the nation. Did political principles count for anything at all with these electors, or did their Liberalism consist only in their being 'thirled' to Mr. Gladstone? Mr. Cooper, the editor of the *Scotsman,* whose paper had heartily supported Goschen's candidature, writes[2] that he was 'ashamed' that the result of the election should have falsified his confidence. 'I cannot think of myself,' he says, 'when I remember the shame of Edinburgh.'

[1] Extract from letter dated July 6, 1886, courteously sent by Lord Morley to Lord Goschen in 1901.

[2] July 13, 1886.

The defeat of Goschen, he felt, was the defeat of the *Scotsman* also.

'All over the country the Ministerialists have echoed that cry against the *Scotsman*, and honestly I think I deserve all the insults they can heap upon me. For years I have been preaching the necessity of following Mr. Gladstone's lead until that has become the political faith of the East of Scotland. I am hoist with my own petard, and I profoundly regret that you should be the sufferer.'

The leading Scottish newspaper had, in fact, persevered in the faith that Mr. Gladstone was true to the Union even after the 'Hawarden Kite' had been flown, and when Mr. Parnell and his followers in the House of Commons were taking him to their bosom. Even then it urged implicit reliance on Mr. Gladstone as the first, almost the sole, of Liberal virtues. The day of its awakening came when, at the end of March, news is said to have reached it from within the Home Rule Cabinet of the real nature of Mr. Gladstone's proposals. Recognising that these amounted to nothing less than the virtual repeal of the Union, it stood to its political principles, did its utmost to assist Mr. Goschen, and for many years rendered the greatest services in Scotland to the Unionist cause.

A less distinguished member of the Edinburgh community, a man 'who worked his sixteen hours a day,' and yet found time to read every word that Goschen spoke in public—the head waiter of the Royal Hotel—wrote how much he admired his pluck and his principles, and adds a postscript: 'PS.—Sir, which do I belong to?—The Masses or the Classes, for I am a bit puzzled over it? One thing: I don't belong to the class who blindly follow and worship Mr. Gladstone.'

Of all his Edinburgh friends, perhaps the one who most

took to heart Goschen's defeat was Mr. A. L. Bruce.[1] It was he who, in the first instance, had induced Goschen to stand for Edinburgh, and he had looked forward with the utmost confidence to his success in his second contest. Great was his distress when the result was known. And he was inclined to reproach himself keenly as in some sense the cause of the disaster. Goschen wrote[2] consolingly that neither of them were responsible for this great disappointment to their hopes, and that for his part he should always feel grateful to Mr. Bruce for having given him an opportunity of making acquaintance with and perhaps influencing Scottish opinion. After discussing various explanations to account for the great majority against him, he goes on:

'The real thing was the wave of Gladstonianism which extended all over Edinburgh, and the reluctance to throw over Gladstone for a more recent friend. From this point of view and looking to the immense number of voters who went against me, I think they treated me very well at meetings in not showing more hostility. I could not have imagined that I was speaking to audiences so largely composed of Gladstonians as I must have done.

'The great question of the day of course is coalition or no coalition. The argument which weighs most strongly with Unionists against coalition is that it will leave the more advanced section entirely in the hands of extreme men. If the moderate men were to leave the bulk of the party it is thought that that bulk might embark on very dangerous courses. I do not say I share this view; but it is telling heavily.

'I have seen Trevelyan to-day. He has recovered his spirits. To be rejected by a constituency which he had served for eighteen years was a heavier blow comparatively than my defeat was to me. . . .'

[1] Mr. Alexander Low Bruce. See Appendix III.
[2] 69 Portland Place, July 16, 1886.

The resignation on July 20 of the Gladstone Government gave increased interest to that question of possible coalition between Conservatives and Liberal Unionists in forming a new Administration to which Goschen had referred. Lord Salisbury was still abroad, but was expected back almost immediately. There had already been communications between him and Lord Hartington, which had at least made it certain that, so far as the personal disposition of the two statesmen was concerned, every consideration would yield to the necessity of bringing about cordial co-operation between their followers. Lord Hartington was able to tell his friends that Lord Salisbury, if he became Prime Minister, would be ready to make almost any arrangements to get Liberal support within his Government. He would be willing to serve under the Premiership of Lord Hartington, or, along with him, under that of the Duke of Argyll, or to take into consideration almost any plans which the leading Liberal Unionist statesmen might think advisable. Lord Hartington had found, however, that to any coalition of this kind the greater number of Liberal Unionists were decidedly opposed, and he certainly was not strongly in favour of it himself.

These matters were afterwards fully explained by Lord Salisbury to a meeting of his supporters at the Carlton Club, and by Lord Hartington to a meeting of Liberal Unionist M.P.s at Devonshire House (August 4), which both Liberals and Radicals attended. Mr. Chamberlain spoke in a spirit of great cordiality, saying that he fully accepted the leadership of Lord Hartington; whilst the latter urged the importance of maintaining the new Ministry in power, for its overthrow would lead to the immediate revival of the policy they had just defeated. It was agreed that Liberal Unionists should sit on the Liberal, that is, on the

Opposition side of the House, and act as a distinct Party, those who were Privy Councillors taking their places on the Front Opposition Bench.

When, in July, Lord Salisbury had returned from the Continent and begun the construction of his Ministry, rumours were rife that he was eager to strengthen it by calling Goschen to his assistance, even though the rest of the Liberal Unionist Party thought it advisable to maintain a position of independence. Though the prevailing feeling amongst Liberal Unionists was decidedly against his accepting office under Lord Salisbury, there were some who thought his doing so almost essential, having regard to the weakness in *personnel* of the Conservative Party, and who believed, besides, that Goschen in office would 'form a bridge' between Lord Salisbury's followers and those of Lord Hartington. Colonel Hozier, the Liberal Unionist secretary, reports to Goschen that 'next day' he will be 'sounded' as to his willingness to accept office, and that he may have, at his choice, the Foreign Office or the Exchequer. According to Colonel Hozier's then view, were Goschen to enter the Cabinet it would be the ruin of the Moderate Liberal Party.

'When Lord Hartington goes to the Lords there will be no real leader left to the Liberals, if you are not our leader, and our people will drift away. As far as I can see, the Conservative Party are played out. If with all our help they could only get 316 seats they can never have a majority in the House. Many of them will come over to the Moderate Liberals who seem to me the party of the future.'

And on July 29 he writes again: 'I am delighted to hear you are not going into office,' and he repeats the current gossip that Lord Salisbury had been dissuaded by

Lord Randolph Churchill from carrying out his intention to invite Goschen's assistance.

On July 22 Goschen had received the following important letter from Lord Hartington written before the latter had seen Lord Salisbury:—

'Devonshire House,
'*22nd July* 1886.

'. . . I suppose it is quite certain that a formal offer will be made by Salisbury, but the Press have prepared him pretty well for a refusal. It seems also evident that you and probably Argyll will have to consider a separate offer. I do not know what your inclinations on this point may be, but I do not think it ought to be hastily rejected. The loss to our small band would be severe; but on the other hand the new Government would gain what we should lose; and your presence in the Government would perhaps give a better means of communication than would otherwise be provided. On principle I conceive from what you said the other day, that you could have no objection. As to expediency the principal reason for my refusing would be that whatever I might do I could not take the whole but only a section of the Liberal Unionists with me, and that the remainder would drift back to the Gladstonian party. This objection would not apply in the case of your going. Chamberlain and I could probably keep the Liberal Unionists together for a time at least. The most serious objection is that it would probably be a final separation between you and the Liberal Party; that is from the Liberal Party as now constituted. But is it likely that you will ever be able to return to it, or remain in it? I don't feel very confident that I shall be able to do it myself; if I do, it will be because I have a greater capacity for swallowing unpleasant morsels than you have. If, as some people think, a total reconstruction of parties must come, you will only have preceded me a little. It is very difficult, and I don't want you to think that I have a

clear opinion; all I want is to point out that the cases of yourself and me are not exactly identical.'

Lord Salisbury, as a matter of fact, made at this time no offer of office to Goschen, and the Liberal Unionist Party remained intact. Lord Hartington's letter two days later explains the exact position:—

'Devonshire House,
'*24th July* 1886.

'MY DEAR GOSCHEN,

'. . . Lord Salisbury came to me this morning to tell me that he wished to tell the Queen that he thought that I ought to form a Government. He admitted that he was not certain that his friends would agree to support such an Administration, but he would be willing to serve in it himself and he thought that he could obtain their concurrence. I told him that though the solution had been suggested to me as a possibility, I had not thought so much of it as of the possibility of his asking me to join him. I pointed out the objections which I saw to it, but told him that I should like before giving him an answer to consult those whom I could see to-day. In the course of conversation he excluded Chamberlain, and said he thought it would be too sharp a curve for both him and C. to sit in the same Cabinet. This I think was nearly conclusive. Although Chamberlain would not have joined, the fact of my not being able to ask him would remove any possibility of the Government being in public estimation anything but a Conservative one. I have seen Northbrook, Derby, Stalbridge, and H. James, and have written to him that I consider the difficulties insuperable. I think he is quite ready to accept, though he would have preferred the other solution. It is possible that there may be a further offer to some of us to join him, but I do not much expect it. My answer is really a refusal to both proposals. He said that if I declined, he hoped I would let him talk over politics with me. I mentioned your name,

but I could not gather whether he was likely to ask you separately or not. He said there would be difficult personal questions involved. He has gone to Osborne and remains there till Monday.'

The new Parliament was opened on August 19, Mr. Gladstone, as Leader of the Opposition, following the mover and seconder of the Address to the Speech from the Throne, and being himself followed by Lord Randolph Churchill, Chancellor of the Exchequer and Leader of the House of Commons. Lord Salisbury's nomination of the quondam leader of the 'Fourth Party' to the second place in the Administration, and to the first place in the House of Commons, had taken the world by surprise. By Liberal Unionists Lord Randolph was little trusted, and his appointment appeared to indicate the poverty of the resources upon which the Prime Minister could draw. His ability and courage were, however, beyond all dispute, and it might well be that the immense responsibilities of his great position would bring to light his possession of other qualities, hardly less essential. Goschen, on August 22, had written to Mr. A. L. Bruce that

'Churchill's selection or self-selection for the Commons' leadership is to me a staggerer. I regret it deeply; for it is a premium on the arts by which he has risen into notoriety. I dare say he will steady down; but as he imitated Dizzy at a distance, so men of even lower *moral* may imitate Churchill. Still the Government have started well. . . . Chamberlain has joined the Spring Gardens Association.'

Had Goschen been present, he would readily have admitted that in his first speech, at all events, Lord Randolph had made an excellent appearance and a very favourable impression.

Goschen, looking on from outside the House of Commons, had reason to be fairly satisfied with Unionist prospects for the moment. Mr. Chamberlain's speech on the Address was firm and adequate. There was every prospect that Liberal Unionists of all kinds would be able to work together, and in alliance with the Government. No real business would be undertaken till the winter, and till then Goschen was in no great hurry to find a seat. At the end of August he left London with his daughter Maude to spend six weeks at Ems, and in October he was again settled in his home at Seacox, reading novels, old and new, and looking into everything on his farm.

'Very large crop of hops, i.e. 8½ tons for 12½ acres but price miserable. Pasture dried up. Wool higher 1s. Sheep sold badly, steers ditto; wheat a perfect failure. Oats satisfactory. Kaulbars behaving atrociously in Bulgaria. Speech of Gladstone to Irish Deputation. Radical Programme. Declined to speak on 17th January at Bradford Chamber of Commerce.'

This is the multifarious entry in his diary for October 4 to 6. It was not long before politics again claimed his chief attention. At the end of November, a seat having fallen vacant at Brighton, it was thought in many quarters that a good opportunity might be found for bringing back Goschen to the House of Commons. He would not, however, consent to come forward as a Conservative candidate, or to take his seat on the Conservative side of the House of Commons, and the feelings of the constituency, or much more probably those of the caucus or committee, which, in fact, possessed the nomination to the candidature, forbade their acceptance of a Liberal Unionist even so distinguished as Goschen.

He was, of course, at this time in constant communi-

cation with the Liberal Unionists at Spring Gardens, where meetings of the committee were frequent. 'Lord Hartington was being regularly consulted by Ministers,' and he and Goschen habitually talked over matters of importance together. A great conference of Liberals favourable to the Union, attended by representatives sent from all parts of the United Kingdom and numbering over eight hundred, met on December 7 at Willis's Rooms. It was followed by a banquet at the Hôtel Métropole. At both Lord Hartington presided.

'Immense unanimity at the Conference. No awkward questions at all, and much cheering whenever statement was made that present Government must be supported. This meeting must have a great effect in strengthening Unionist feeling locally: Country Delegates delighted. I was *late* at the Banquet. Twice during my speech the whole audience stood up. Cynics like Revelstoke, Rothschild, James, etc., were delighted with my speech, though it was rather high falutin. . . . I am writing a week after the Meeting and still am quite hoarse. . . . Constant cold catching. Ems seems to have done me no good. My memory seems to be failing; and this makes me more indifferent as to getting into office, as I can fancy it might be very awkward. *À propos* of getting into Parliament the Conservatives don't seem to be doing much for me though some say they are playing fair. The local Conservatives wouldn't listen to the wish said to have been expressed by Churchill. . . . Things in Ireland look very black. Dillon's plans of campaign—I call "plans of plunder"—in full swing. I can't quite make out the tone of the Conservative Leaders as to putting down lawlessness. It is not quite satisfactory.' [1]

The speaking at the conference and the banquet had been, it is true, of quite exceptional interest. At the former

[1] Diary.

nothing could have been better than Lord Hartington's own speech in pointing out the two great duties incumbent on Liberal Unionists: first, to co-operate with Conservatives against Home Rule; secondly, to urge on the Conservative Party the necessity of avoiding reactionary policy, and of pressing forward useful reforms. Lord Selborne gave an impressive, vigorous, and even fiery address; Mrs. Fawcett contributed a few words representing what she knew would have been the thought and feelings and language of her late distinguished husband, and Mr. T. W. Russell stirred, as he was well able to do, the patriotic feelings of the great gathering. At the banquet Lord Derby, Sir Henry James, and Mr. Trevelyan spoke with power and effect; Goschen with extraordinary warmth—even with excitement—and was quite immensely cheered.

The conference had made it clear that the movement against the Gladstonian policy was not due to any ephemeral sentiment, but was inspired by a strength and depth of feeling which would give it permanency.

Goschen's friends and admirers in Edinburgh and Scotland were determined to do him honour in the Scottish capital at the earliest opportunity. After the defeat in the Eastern Division, on every ground it was thought desirable to make a demonstration of the estimation in which their late member was held, and of the strength of the public feeling for the cause of the Union. Liberals attached to the Union were specially anxious, moreover, to claim him as their own; not the less so, perhaps, since in the matter of possible seats there had been seen of late a certain unwillingness in some Conservative quarters to accept in the common cause the candidature of so distinguished a Liberal Unionist.

Between Goschen and his steady friend Mr. A. L. Bruce

much correspondence passed in the latter half of December with reference to a great banquet which it was intended to give the former, and which was at length fixed to take place on January 6. On the General Committee arranging affairs, which consisted entirely of Liberal Unionists, were representatives of each of the four divisions of the City, of the Bar, of the University, and of the Leith merchants, and the intention was expressed to make the banquet one of 'the finest gatherings of the kind ever held in Scotland.' There would be, writes Mr. Bruce, at the dinner itself 'a sprinkling of Tories; but nineteen-twentieths of those present would be Liberal Unionists.' The importance of the demonstration would, he thinks,[1] be in no way diminished by the present 'unfortunate crisis.' However, a good deal was to happen before January 6; and the grand banquet never took place.

On December 23 the *Times* newspaper had announced the resignation of Lord Randolph Churchill, the Chancellor of the Exchequer and Leader of the House of Commons. If Goschen had regarded Lord Randolph's selection to fill those high places as 'a staggerer,' his resignation of them fell like an absolute thunderbolt upon the political world. Goschen's condemnation at the time of Lord Salisbury's choice had now received justification; though there was undoubtedly much characteristic good sense in Lord Hartington's then comment (Lord Hartington to Goschen, August 1, 1886): 'R. Churchill is certainly a dangerous experiment; but as he would in any case have been the real Leader, or have influenced the Leader, it may be better that he should have the responsibility as well as the power.'

On Monday evening, December 20, Lord Randolph, at Windsor Castle, had written his letter of resignation to

[1] Mr. Bruce to Mr. Goschen, December 26, 1886.

Lord Salisbury, Her Majesty and the public becoming informed of it at the same time by the leading article in the *Times* on the following Thursday. On the 18th Goschen had been the guest of Lord Randolph at a dinner where Lord Salisbury was also a guest, and he had been a good deal impressed by the want of apparent cordiality in the relations of the two statesmen.[1] On the morning of the 20th Lord Randolph had written to Goschen from the Treasury forwarding to him the draft rules of procedure which he intended to submit to the House of Commons, and a memorandum (which had been seen only by the Cabinet) on a scheme for the restoration of the coinage, as to which he invited Goschen's criticism. The latter, in spite of the incompatibility of disposition which he fancied existed between Lord Randolph and his chief, was as much taken aback by this sudden resignation as the rest of the world.

'Randolph resigned—says on account of Estimates! What will Salisbury do now? Press Hartington probably. Fancy if Hartington had gone to India. Fearful confusion! *Standard* has no information unless it was —— who sent information. Banquet to me in Edinburgh on hand.'[2]

Mr. Winston Churchill has told the story of Lord Randolph's resignation. Here we have to do only with its consequences. At first it was the general belief that the Government could not stand. 'The Government is doomed,' wrote (December 23) Mr. Chamberlain to Lord Randolph, 'and I suspect we may have to reform parties on a new basis. You and I are equally adrift from the old organisa-

[1] Mr. Goschen once told me that he had remarked to Mrs. Goschen after coming away from this dinner: 'I cannot understand how it is possible that these two men should be sitting in the same Cabinet.'—A. D. E.

[2] Diary, December 23, 1886. There are no more entries in the diary till the autumn of 1887.

tions.' That night Mr. Chamberlain spoke at Birmingham with much cordiality of Lord Randolph's startling *coup*, displaying at the same time a strong desire to minimise as far as possible those differences that divided Unionists from Home Rulers, and so once more to reunite the whole Liberal Party. Sir William Harcourt became inspired with the same hope, and at once put himself in communication with Mr. Chamberlain. Mr. Labouchere's cynical view of the situation is worth quoting.[1]

'Parties just now do not hang together by principles. They are gangs greedy of office. You got your lot in—there is a wide difference between this and aiding in getting them out. You and Chamberlain seem to me both to make the same mistake. You ignore the power of the "machine." It has crushed many an able man—Horsman, Lowe, Goschen, and Salisbury himself.'

On December 26 Goschen wrote from Seacox Heath to Mr. A. L. Bruce as follows, after asking some questions about the banquet, and discussing the line his speech there should take:—

'Chamberlain's speech is against the Unionists though he may contend it is in favour of the Union. His offer of reconciliation and his backing of Churchill are also awkward factors. It is difficult to see light in any direction. . . . You must kindly let me know whether the crisis has changed the attitude of any section towards me. Till Lord Hartington returns I can of course say nothing about the line the Unionists will take, either individually or collectively. It may be extremely delicate speaking so soon after his return, but it must be managed somehow. . . .' Co-operation, he says, or the refusal of co-operation, may equally incur condemnation. 'Never was there a more momentous decision

[1] Mr. Labouchere to Lord R. Churchill, December 23, 1886. *Lord Randolph Churchill*, vol. ii.

to be taken or one more fearfully difficult. . . . It is a crime towards the Union for a man to throw the whole situation into such utter confusion as Lord R. has done at this moment. . . . Supposing Lord H. does not join, may not Lord Salisbury throw up the Government? . . .'

Lord Randolph's Conservative friends for the most part let him know their opinions frankly enough.

'Lunching with Mrs. Jeune, Randolph had been very severely admonished by Sir James Stephen, on his want of patriotism and dereliction of duty, in the Lord Justice's most solemn style. He bore it well and seemed to feel the universal condemnation of all his friends, and he said what seems incredible that he did not think his resignation would have been accepted!'[1] So Lord Arthur Russell reported to Goschen the story told him by two friends who had come straight from Mrs. Jeune's.

Lord Salisbury turned, as the public at once turned, in this momentous crisis to Lord Hartington, who was at the time enjoying a holiday in Rome. Mr. Gladstone could not help feeling 'very sorry for him' (the Liberal Unionist Leader); though recognising that as he had made his own bed, so he must lie upon it.[2] Lord Hartington, without however manifesting any outward signs of distress or perturbation, returned home in leisurely fashion, and in the meantime strange possibilities were discussed. 'I am not quite happy,' wrote Colonel Hozier from the Liberal Unionist Office to Goschen (December 24, 1886), about 'the majority that a coalition would have against Chamberlain, Randolph, and Mr. Gladstone. I do not think that it would be much more than thirty, or that a dissolution would much strengthen us.'

[1] Lord Arthur Russell to Goschen, December 27, 1886.
[2] Letter from Mr. Gladstone to Mr. Morley. *Life of Gladstone*, vol. iii.

Lord Hartington reached home on the evening of December 29 and was immediately in consultation with Lord Salisbury and Mr. Goschen. The former renewed the offer he had made in July, viz. to advise the Queen to form a Hartington Cabinet in which he would himself serve, thus effecting, so far as the leading statesmen were concerned, a complete coalition between Conservatives and Liberal Unionists. This, it was clear, was a proposal which would naturally be unpopular with the Conservative rank and file, and neither in that way nor by taking office under Lord Salisbury did Lord Hartington consider that he should be able to give to the cause of the Union so much assistance as by maintaining his independent position and leading the Liberal Unionist Party. It appears from a letter written to Mrs. Goschen by her husband from Brooks's late at night on the 30th that he had been spending a considerable part of that day in consultation with Lord Hartington, and that so far nothing had been actually settled, though it was now highly improbable that he (Lord Hartington) would be persuaded into taking the Premiership. Various projects had been discussed. It was thought that Lord Randolph would be willing to come back into office, but very doubtful whether Lord Salisbury would consent to it. 'Would Salisbury, Hartington, and I be strong enough to keep him in order? I presume we should, but fancy what a motley crew we should be!' He repeats the current gossip that Mr. Chamberlain was closely *lié* with Churchill, and that the former and Sir William Harcourt were negotiating. The following day Goschen saw Lord Hartington again. The latter had remained decided as to declining office for himself, but it was with his entire concurrence and approval that Goschen accepted under the continued Premiership of Lord Salisbury the offer of the

Chancellorship of the Exchequer which was now made to him.

At the same time it was announced that Mr. W. H. Smith was to lead the House of Commons. It was at once felt that the accession of Goschen to a Ministry which had seemed to be trembling to its fall had given it renewed strength and vigour. Probably the three statesmen with whom the matter rested had arrived at the best solution possible under the circumstances in the true interest of the Unionist cause. Amongst Goschen's friends in London his action in joining the Conservative Cabinet was generally but by no means universally approved. In the country many Liberal Unionists undoubtedly felt that the annexation by the Conservative Party of the Liberal statesman, who had done almost more than anyone else to keep Unionism and Liberalism united, was a blow to their grand design of a reconstructed and purified Liberal Party which would ultimately draw to itself the best elements of Conservatism. In Scotland, and amongst the promoters of the Edinburgh banquet, Liberal Unionists were not a little startled. In the days before Lord Hartington's return from Italy, Mr. A. L. Bruce had represented a very general feeling amongst Scottish Liberal Unionists in expressing his own preference for a Coalition Government or a Hartington Government. 'Many,' he had written on December 23, 'would like to see you Chancellor of the Exchequer and Leader of the House of Commons, but then this would mean separation from the Liberal Unionist Party and closer alliance with the Conservatives, in fact becoming their leader.'

Goschen had some reason at first to hope that his joining the Cabinet would have a less isolated appearance by reason of Lord Salisbury making room in his Administra-

tion for one or two distinguished Liberal peers. Nothing, however, came of this suggestion. In letters to his Liberal Unionist friends Goschen set out the reasons for and against taking a step which was so decisive of his future career. To Mr. A. Elliot he writes (January 5):—

'No doubt there was much to be said on both sides; and I have never had a more difficult choice to make; but I am glad now that I have acted as I have done; and I may say that Hartington *urged* it on me. The fear was that the Government would go to pieces unless it was strengthened, and the collapse of the Government might have led to the worst results. This I think was Hartington's deciding motive. . . .'

In the same sense he had already written to Mr. A. L. Bruce in Edinburgh, where, on various grounds, it was felt that on the whole the Liberal Unionist banquet fixed for January 6 had better be abandoned.

'*3rd January* 1887.

'Of all my friends you are perhaps the one who has felt more distressed at my joining the Government than any other, and you are just the one whom I am most sorry to distress. Here nearly all Unionists are in favour of the course taken. I join as a Liberal Unionist, not as a Conservative. There is no abandonment of Associations or of principles; and I act on Hartington's advice. Surely all that counts for a great deal.

'I am troubled beyond measure by the inconvenience and trouble given to the Banquet Committee. It is such a poor recompense for all the trouble taken. And I had looked forward so much to the banquet. But I could not speak now. Nor am I sure that my friends would *all* care to have me. Some were alarmed as it was by the mere anticipation. I am strongly of opinion that the banquet should only ultimately take place, if the Liberal Unionists

are thoroughly satisfied. Any resentment or doubt would spoil the whole thing. I feel I have done right, but I can quite understand some mortification being felt. The "I told you so" is very disagreeable; but, mind again, they never said that I should join as a Liberal Unionist.

'I do not take the leadership at present, for reasons which I will explain when I write next. Milner is writing to you too. He was most keen for me to accept, and he is an *advanced* Liberal. You were quite right in writing as you did. I hope you will always be frank with me.'

Generally speaking, in the Press and by the public, the substitution of Goschen for Lord Randolph Churchill as Chancellor of the Exchequer was welcomed, and it was felt that at last some prospect of stability was secured for a Government of law and order. This anticipation naturally gave unfeigned satisfaction to Her Majesty as well as to a very large proportion of Her Majesty's subjects.

The Queen to Mr. Goschen:—

'Osborne,
'*5th January* 1887.

'The Queen has delayed till now replying to Mr. Goschen's letter of 28th December. She thanks him now, however, for it, and wishes to express her great satisfaction at his having consented to join Lord Salisbury's Government.

'Both at home and abroad this will be of immense importance, and be a source of great strength to the Government and the cause of order.

'The Queen rejoices to see Mr. Goschen her Chancellor of the Exchequer.'

CHAPTER V

MAINTAINING THE UNION

AFTER thirteen years Goschen was once more a Cabinet Minister. The Prime Minister and all his colleagues were Conservatives, for the former had not been able to persuade Lord Northbrook or Lord Lansdowne (then Viceroy of Canada) to join his Ministry, as Goschen himself would have much preferred that they should do. Goschen remained a Liberal Unionist and a member of Liberal organisations, and it was as the accredited representative, so to speak, of Liberal Unionist opinions that he entered Lord Salisbury's Cabinet. As we have seen, this step—a momentous one in his career—he had deeply pondered. Would it prove the first step in the ultimate merger of Liberal Unionists in the Conservative Party, and entail, therefore, the abandonment of the Liberal Unionist ideal of a reconstructed and purified Liberal Party? Liberals who were proud of the name and traditions of their Party were loth to allow that name to be appropriated by men who, in alliance with Mr. Parnell and his Nationalist band, made it their great object to attack the political unity of the three kingdoms. It may well be that, however unpleasant it was to admit it, the facts rendered impossible the realisation of the Liberal Unionist ideal. So thought, at all events, one sturdy Liberal Unionist (Lord Camperdown).

To him it appeared that a reconstruction of the Liberal Party on Unionist principles was nothing better than 'mere speculation.'

'Who can tell what will happen after Mr. Gladstone's death and Hartington's removal? Will there be a Liberal Party? All will depend on what line Chamberlain and others take at that time. My opinion is that we must all go on at present from hand to mouth, with a firm determination to uphold the Union, and allowing the morrow to take care of itself—not that we are to allow our eyes to shut.'[1]

Excellent advice on which the Liberal Unionists steadily acted till their efforts were crowned with success!

Though it was possible for men to forecast differently the ultimate effect upon Party arrangements, and on Goschen's own career, of his acceptance of office in January 1887, there was no question whatever as to the immediate and immense accession of strength that it brought to Lord Salisbury's Government. Under the blow of Lord Randolph's resignation that Government was reeling. Goschen brought to it exactly the assistance of which it stood in need. His writings and speeches had made him a great authority on commercial and financial subjects, and on national economics. He was known to be exceptionally well acquainted with foreign affairs. Above all, the uprightness and firmness of his political character had won for him the confidence of a public not a little startled by the strange vagaries of British statesmanship during the last couple of years. It must be remembered that Lord Salisbury's short previous Ministry had done nothing to enhance Conservative reputation, that his own fame as Foreign Minister had still to be won, and that Mr. Arthur Balfour had not yet become a power in the

[1] Lord Camperdown to Goschen, January 8, 1887.

House of Commons. The future was to prove that there existed in Lord Salisbury's second Ministry ability, statesmanship, and character in abundance; but it had not yet received its due recognition. Lord Randolph and the 'Fourth Party' had spent years in decrying several of Lord Salisbury's principal lieutenants, and this had tended not a little to cheapen in public opinion, especially in Conservative opinion, the reputation of men like Sir Stafford Northcote and Mr. W. H. Smith. Thus it happened that when the latter was chosen to succeed his brilliant predecessor as Leader of the House of Commons it was not at first recognised that the change had greatly bettered the prospects of the Government in promoting that union of the Unionist Party upon which its existence depended.

All the politics of the moment, said Lord Salisbury, in addressing the National Conservative Club at Willis's Rooms on March 5, 1887, was summarised in the one word 'Ireland.' But the Irish controversy since the General Election had entered upon a new phase. The country had rejected Gladstonian Home Rule. The policy and aims of Mr. Parnell and his following naturally remained unchanged. For years their object had been to break down the existing system of governing Ireland by a Parliament and Government representative of the three kingdoms. In Ireland the Nationalists would, if they could, resist the law. In Parliament they would, if they could, paralyse the House of Commons by persistent and systematic obstruction. In such 'a plan of campaign' was it possible that they should find allies in the Liberal Party? What had been a fight as to the merits or demerits of rival schemes of government—the system of Home Rule or the system of the Union—had become a struggle as to the maintenance of law and order under that system to which the Parliament and people of

the United Kingdom were at that very time giving solemn approval. If the issue upon which the parliamentary battle was to be fought was really to be between anarchy and order, it was certain that Lord Salisbury could not have found a more powerful warrior than Goschen to take up the gage thrown down. Before the end of February, Goschen was once more back in the House of Commons.

Men returned to London for the coming Session in anxious mood. On January 26, 1887, the evening before Parliament met, Lord Camperdown had gathered to his hospitable board a large party of Liberal Unionist Peers and Members of Parliament, of whom not a few had been members of Mr. Gladstone's former Ministries. Lord Selborne read the Queen's Speech, of which Lord Salisbury had with great courtesy sent Lord Camperdown a copy. The party was in good spirits—sanguine and pugnacious. But at eleven o'clock, before it had broken up, came tidings which fortunately for the gaiety of the gathering had not arrived sooner, and which at once dispersed Lord Camperdown's guests to their respective homes in the gloomiest depression. Goschen, the Liberal Unionist hero, the new Chancellor of the Exchequer of the Conservative Ministry, had been defeated at Liverpool by seven votes![1] Six months earlier, at the General Election, a supporter of Mr. Gladstone had won the Exchange Division of that city for Home Rule by a majority of 170, and why it had been thought advisable at such a time to risk Mr. Goschen in an attempt to win so uncertain a seat is by no means clear. His defeat was rather an annoyance and a mortification than a disaster, either for himself or his cause, for a fortnight afterwards he was returned for the safe Conservative seat of St. George's,

[1] The successful Home Rule candidate was a barrister, Mr. Ralph Neville, now Mr. Justice Neville.

Hanover Square, by a majority of more than 4000 votes over a Home Rule Liberal—the last electoral contest in which Goschen was ever engaged.[1]

Lord Randolph had played his stake and had lost. It is hardly possible to doubt that he had intended to throw the Government into confusion, and that when he resigned the last thing he had wished to see come about was a reconstituted and strengthened Administration under Lord Salisbury of which he was not a member. 'I had forgotten Goschen,' he said to Lady Jeune, and it is said that to others also he used the same phrase. Two days before his resignation Goschen had been his guest at dinner, and on the very morning that he resigned he had written to Goschen from the Treasury on matters connected with his own department. Surely it was a case rather of deliberately ignoring than of forgetting Goschen! It must have been a far greater surprise to Lord Randolph to see Mr. W. H. Smith in his stead leading the House of Commons with success and with the general confidence, than to find his place at the Exchequer filled by Goschen—a man in public estimation marked out for that position. The retiring Minister had made the mistake of thinking himself indispensable, and it had probably never crossed his mind for a moment that either in Parliament, or at the Exchequer, or in the country the positions which he had vacated could ever be adequately filled by Mr. Smith, Mr. Goschen, or Mr. Balfour. If on grounds of political principle Lord Randolph had found it impossible to serve under Lord Salisbury, still more was the Ministry of the latter distasteful to him after it had been reinforced by Mr. Goschen. The principles of 'Tory democracy' were dear to him, and, as he wrote to a friend, 'these

[1] Goschen's election for St. George's was celebrated by a grand Conservative banquet in May, at which Lord Salisbury presided.

principles are in the utmost peril. We know what Lord Salisbury is and we know what Goschen is, and we know that our views are regarded by both with unrelenting distrust and aversion.'[1] Though Lord Randolph had resigned in the early part of 1887 he was still a power, or, at least, seemed to be so, and upon the action that he took the fate of the Ministry and of the Union might depend.

In quite another quarter, at the commencement of the Session, events were passing which caused anxiety in many Unionist minds. Mr. Chamberlain had sympathised warmly with Lord Randolph in his act of breaking loose from Lord Salisbury. A *rapprochement* was at the same time apparent between Mr. Chamberlain and Sir William Harcourt, and this had resulted in certain *pourparlers*, known as the Round Table Conference, at which these two statesmen, assisted by Lord Herschell, Sir George Trevelyan and Mr. John Morley, set themselves to find out some common basis upon which Unionist and Home Rule Liberals might reunite. Lord Hartington and Liberal Unionists generally had given no sort of recognition to the action taken by Mr. Chamberlain and Sir George Trevelyan and expected little good to result from it. A good many meetings took place at Sir William Harcourt's house, under the presidency of Lord Herschell, without however any definite success being attained, and after the middle of February the meetings ceased. Still Mr. Chamberlain had by no means abandoned all hope that some modified plan for the government of Ireland acceptable to many Liberal Unionists might meet Mr. Gladstone's approval, and that Mr. Gladstone might induce Mr. Parnell to be satisfied with it. Lord Granville, always ready to pour oil on troubled waters, leant in the same direction. At the end of August 1887

[1] See Lord R: Churchill to Lord Dunraven, January 12, 1887. *Life of Lord Randolph Churchill.*

Lord Hartington, having consulted Sir Henry James, communicated to Goschen the substance of Mr. Chamberlain's proposals, with the comment that, though he did not like the scheme, he considered that Goschen and Lord Salisbury would do well to ponder carefully whether Home Rule could be permanently resisted on present lines; that is, without its opponents offering any alternative system beyond the mere extension to Ireland of local county government. There were drawbacks, no doubt, to maintaining a merely negative attitude; but, on the other hand, there would be great disadvantage, Lord Hartington thought, in so acting as to make the public believe that Liberal Unionist resistance to Mr. Gladstone would in future be merely to the details of a particular scheme rather than against the broad principle of his policy. Were Mr. Gladstone to reject a compromise, many Liberal supporters who had disliked his Home Rule Bill might doubtless leave him. So far good. But if he accepted it, and the plan to any extent involved or entailed the establishment of a local Irish Legislature, the difficulty of fighting the battle of the Union would be greatly increased. The project may, perhaps, have been contemplated by its author rather as a move in the political game than as a serious proposal for settling the difficulties of Irish government upon lines equally acceptable to real Home Rulers and genuine Unionists.

He must indeed have possessed a sanguine temperament who, in the year 1887 and in the succeeding years of that Parliament, dreamed of restoring the unity of the Liberal Party under Mr. Gladstone. Between its two sections raged all the bitterness of civil war. The Tory and the Radical, regarding each other as natural foes, took the situation for granted and easily maintained social peace. It was much more difficult for Liberals—Home Rule and Unionist—to accommodate themselves to the new state of

things. In Liberal clubs and organisations the choice had often to be made between absolute political inactivity and disruption. In the three chief Liberal clubs—in Brooks's, in the Reform, and in the Devonshire—political opinion was keenly divided. In the first, where for many years the prevailing Liberalism had not been of an advanced type, a very decided majority would have pronounced for the Union, and in the other two very substantial minorities held the same view. In a strenuously active Liberal body like the Eighty Club, in order to avoid disruption in 1886, it had been found necessary to pass a resolution declaring that the Club should take no part at the impending General Election, either for or against Home Rule. In May 1887 it was not possible to maintain this truce. Neutrality had for active politicians become impossible. Two of the principal functions of the Club were the rendering of assistance to Liberal candidates at contested elections, and the entertaining as honoured guests of the Club at occasional banquets distinguished Liberal statesmen. It was on the dinner question that the quarrel came to a head. A majority of the Club committee might conceivably agree to suspend for a little longer its electoral activities; but for no consideration on earth would they invite Mr. Chamberlain to dinner! The minority appealed to a General Meeting, and proposed a motion[1] to the effect that eminent Liberal statesmen of either section of the Party should be eligible to receive invitations as honoured guests of the Club. Mr. R. T. Reid (the present Lord Chancellor) rejected this motion by carrying an amendment declaring the adherence of the Club to Mr. Gladstone's Irish policy, and its determination to maintain and enforce the policy of Home Rule. After a

[1] Moved by Mr. Arthur Elliot, seconded by Mr. Albert Meysey Thompson.

somewhat heated discussion at the Westminster Palace Hotel, there voted for the amendment 143, and for the motion 55. The minority at once withdrew to another room, placed Lord Northbrook in the chair, and resolved that the 'Eighty' having now become a Home Rule rather than a Liberal Club, Liberal Unionists should be advised to secede from it in a body. The advice was acted upon, and a few days later eighty members left the Eighty Club, which at that time numbered about 240. They at once joined the 'Liberal Union,' thereby bringing a great accession of strength to the new Club, which had already been inaugurated under the presidency of Lord Hartington to perform for Liberal Unionists those functions which the 'Eighty' had performed for the old Liberal Party. It was found to be very generally the case that when a rupture took place on Home Rule grounds the Unionist dissentients numbered about a third of the membership of the old associations. This was roughly the proportion of Liberal Unionists shown in the great division in the House of Commons, and of the seceders from the Eighty Club.

Goschen was, of course, numbered amongst the seceders from the 'Eighty.' In other clubs, where no thunderclap had cleared the air, the rumblings of political discontent long continued. Lord Fitzmaurice has admirably described the disturbance of social relations in London caused by the fierceness at that time of Liberal dissension. In some clubs recourse was had to the most detestable of all methods of political fighting—the blackballing of candidates. At Brooks's, in February 1887, the club door was slammed, on political grounds, in the face of several most eligible candidates. Mr. Lewis Harcourt was rejected on a Thursday; on Friday, Sir Henry Primrose met the same fate; on the following Monday, Lord Wolmer, and the next day Sir

Horace Davy were equally unfortunate. Goschen himself was the unwitting cause of bringing these troubles to a head in March 1889, when his name appeared as the proposer of Mr. Anstruther, M.P. for St. Andrews and one of the Liberal Unionist Whips in the House of Commons. A member of a 'Tory Cabinet' proposing as candidate for a Liberal club a most active 'Liberal dissentient' was enough to rouse the wrath of all who believed the Liberal creed to consist solely in the following of Mr. Gladstone. Poor Mr. Anstruther would doubtless have been ruthlessly sacrificed had not the names of Mr. Asquith and Mr. Donald Crawford stood on the list for ballot the following day, affording, therefore, an opportunity to Liberal Unionists of early and ample revenge. Then it was that Lord Granville, with admirable temper and ready tact, saved the situation—perhaps the club from rupture—by a few right-feeling words, the uttering of which had made him feel more nervous, he said, than anything in his whole life.[1]

In those days there was little spirit of conciliation in the atmosphere, and notwithstanding 'Round Table' and private negotiations, the public speeches of the leading advocates of the Union and of Home Rule certainly gave no encouragement to their followers to think of compromise. The language of Lord Salisbury and his colleagues was clear and explicit. They would not for a moment admit the principle of a separate Irish Legislature. Amongst the Liberal Unionists conferences in London and in the country, demonstrations, banquets, the opening of local Liberal Unionist clubs, and meetings great and small, succeeded each other with terrible rapidity. On April 16 Goschen's Edinburgh friends,

[1] See Lord Fitzmaurice's *Life of Lord Granville*, vol. ii.

Liberal and Conservative Unionists, entertained him at a great banquet in the Music Hall, with the Lord Provost presiding and at which Lord Hartington made the chief speech. Goschen himself, in a very forcible address, laid more stress perhaps than heretofore on the socialistic and revolutionary character which the Gladstonian party was acquiring from its new and close association with the Parnellites, and he seemed to suggest that even independently of the Irish difficulty, it would be hardly possible for him and those who agreed with him to work in the same Party with political extremists—those 'bashi-bazouks,' as he called them—who bring discredit on a regular army. A fortnight before, at the inaugural dinner of the Liberal Union Club, Lord Hartington, in very much the same tone, had spoken with his customary firmness and decision. He had been followed by Mr. Finlay, who used language of strongly marked hostility, on moderate Liberal lines, to the new Liberalism. Of all the speeches made on that occasion, that of Mr. Albert Dicey was the most brilliant, distinguished alike for the weightiness of its matter, the evident strength of conviction which animated the speaker and the most admirable humour.[1] It was becoming very clear that the Liberal split about Irish government was widening into a permanent breach between moderate Liberalism and advanced Radicalism, coloured as the latter now was by intimate alliance with Mr. Parnell's followers.

It was natural that, as regards Mr. Chamberlain, the general public and Liberal Unionists themselves should in the earlier part of that year have felt less confidence than

[1] At this dinner each guest, on taking his place, found on his plate a copy of the first number of the *Liberal Unionist*, a weekly newspaper edited and controlled by Mr. St. Loe Strachey. Amongst those who contributed to this number were, besides the editor, Lord Hartington, Mr. Chamberlain, Mr. Henry Hobhouse, Mr. Arthur Elliot, etc.

they reposed in the other Liberal Unionist chiefs. Mr. Chamberlain had never been accounted a 'Moderate Liberal.' On the contrary, he had led the advanced section of the Liberal Party to which Goschen had been most opposed. Amongst Liberal Unionists were many strong 'out-and-out' Liberals driven into Party secession by Mr. Gladstone's attack on the national unity; but the majority of the Liberal Unionist Party were moderate Liberals, and with some of them undoubtedly the Liberalism had become so 'moderate' that a political microscope would have been necessary to distinguish them from Conservatives born and bred. It was, therefore, a cause of much rejoicing in the Liberal Unionist camp when Mr. Chamberlain, excluded from the hospitality of the 'Eighty,' became the first guest of its new rival, the Liberal Union Club, and made to some 300 Liberals a weighty and stirring speech, urging the importance of joint action with the Conservatives, minimising the difference between Liberal Unionists and Conservatives, and indicating the probable rise of a new National Party to resist anarchists, separatists, and the wild spirits of the Gladstonian left.[1] 'I see no sort of possibility,' he said, 'of reconciliation with Mr. Gladstone.' The action of Mr. Gladstone and his followers in and out of the House of Commons, the proceedings of Radical caucuses, and the language of the Home Rule Press were, in fact, compelling the two wings of the Unionist combination into closer and closer alliance. However amicable may have been the intentions of two or three individual statesmen, it is not easy to believe that clear-sighted men can have supposed that either in February or August 1887 there was the shadow of a possibility of reuniting the Liberal Party under the leadership of Mr. Gladstone.

[1] At Willis's Rooms, June 14, 1887, Mr. Arthur Elliot in the chair.

For years past Goschen's speeches in the country had been largely occupied with urging on public consideration the supreme necessity of fighting parliamentary obstruction by improved procedure, and of maintaining in Ireland the supremacy of the law. Almost up to the Easter recess the debate on the Address and the discussion of new rules of procedure, which were violently opposed by the Irish Nationalists aided by some Radical extremists, had absorbed the time of the House of Commons; and it was not until March 28 that Mr. Arthur Balfour,[1] who had just become Irish Secretary, introduced his 'Criminal Law Amendment Bill.' The office which he now held was one in which his predecessors had found it impossible to achieve success or to win fame. But Mr. Balfour very soon proved that he possessed precisely those qualities of personal character and of statesmanship which the times required, if indeed law and order were really to be maintained in Ireland, and if, at the same time, the authority of the Administration was to be upheld in Parliament against violent and unscrupulous attacks from Irish Nationalists, too often strangely countenanced and supported by their Gladstonian allies. With great strength of nerve, and almost imperturbable good temper, he was dexterous in debate, and possessed a sense of humour which prevented his falling into the error of taking too seriously the bad language and extravagant abuse of his Irish assailants. That the Parnellites should say and think, or rather, should say and profess to think, that he was the wickedest of mankind appeared in no degree to hurt his feelings or depress his spirits. The notion seemed rather to amuse him than

[1] He succeeded Sir Michael Hicks Beach, who had resigned office in consequence of a temporary failure of eyesight, but still remained a member of the Cabinet.

otherwise! But in Ireland in those days to uphold the law with firmness was no child's play. Courage and coolness of temperament were called for from those immediately responsible for the peace of the country, and the head of the Irish Administration, as in fact Mr. Balfour was, possessing these qualities himself in a high degree, was able to inspire his subordinates with the conviction that so long as they did their duty the Government would stand by them and protect them against the violence of anarchical faction. All Irish Home Rulers were not revolutionaries; but Mr. Parnell had at that time the forces of revolution in his hand, and it was in truth only the firmness of Mr. Balfour, and the thoroughness of the support given to him by his colleagues and the Unionist Party in Parliament, that saved Ireland from drifting into civil war. The rise in the influence and reputation of Mr. Balfour during the next three years was the most important factor in the development of the political situation. As was inevitable, it affected the proportionate weight, as amongst themselves, of individual statesmen, whilst it conduced very greatly to the intimacy of the alliance and, ultimately, to the complete co-operation of both sections of the Unionist Party.

It is all the more remarkable that Mr. Balfour's first important speech in the House of Commons as Irish Secretary, in introducing the 'Coercion Bill,' did not very favourably impress those who heard it. In the newspapers next day his facts, and the account he gave of the state of things in Ireland, produced much greater effect upon the public. It was a frequent observation of Goschen that the speech that tells most in the House is not the one that tells most in the country, and *vice versâ*. At any rate, to many of the listening audience the speech was a disappointment. There seemed to be something casual, almost ramshackle,

about its delivery; as if the speaker had hardly thought it worth while to get up his case accurately and arrange it methodically. A Scottish Liberal member[1] who, after much soul-searching, had found it possible, if not pleasant, to support Home Rule, muttered, as Mr. Balfour sat down, to his friend and neighbour, who had remained of the Unionist persuasion: 'If your people can't do better than this, your Unionist game is all up!' And as this friend went into the lobby, a Liberal Unionist peer, descending from the gallery, ran up to him with the disappointed ejaculation: 'What a d——d bad speaker Arthur Balfour is!'

Mr. Gladstone flung himself with extraordinary vehemence into the fray. In many respects the new so-called 'Coercion Bill,' though a strong measure, contrasted very favourably with the Coercion Bills for which he had himself been responsible. Under its provisions no one could be imprisoned without trial at the mere will of the Executive. In the main the new Bill dealt with the method of criminal procedure, its object being to secure the punishment in Ireland of offences which if committed in Great Britain would be punished. In one important respect the Scottish practice was followed by the institution of a preliminary magisterial inquiry when a crime had been committed, even before any suspected person was charged or arrested. This was treated by opponents of the measure as an innovation of a terrible kind—as the introduction of a sort of Spanish inquisition—under which no man's liberty would be safe! One of the great merits of the Bill, loudly denounced by Mr. Gladstone, consisted in its not fixing an arbitrary limit to its duration, and therefore leaving it in force till Parliament in its wisdom thought it desirable to repeal it, the conduct of both Liberals and Conservatives in a very recent past having

[1] The late Hon. R. Preston Bruce, Member for Fife.

given a melancholy example of the way in which the maintenance of law and order in Ireland had been treated, on the expiration of Coercion Bills, as a mere plaything in the Party game. On the whole the measure was well conceived, and was supported by public opinion in Great Britain. As introduced it had contained one singularly unwise provision—that for changing the venue in certain criminal cases from Ireland to London. Few Liberal Unionists at all events, and no Scottish ones, would have supported that clause; and Lord Hartington, after having collected the views of his Party at a meeting summoned to consider the clauses of the Bill, succeeded in getting the Government to withdraw it. It was, however, felt to be no time for disputing over details. Both sections of Unionists, Liberal and Conservative, recognised that they were witnessing a stand-up fight in Ireland between the authority of the law of the land and the law of the National League. 'Two authorities were up, neither supreme,' and 'confusion'—downright anarchy—would ensue, and that quickly, unless Mr. Balfour won the battle.

Mr. Gladstone urged that the criminal statistics of the time showed in Ireland a far less dangerous state of things than had been considered necessary in former days to support the passing of exceptional measures of criminal repression. But it was impossible for him to dispute the paralysis of the law to which the Irish judges testified, and which was, indeed, matter of common knowledge. Parliament would not have suffered such a condition to exist in any district of England for a month. It was the fear of crime that lent authority to the tribunals and laws of the National League.

Goschen followed Mr. Gladstone in debate (March 29, 1887). The Government, he said, did not put forward the

measure as a remedy, as had been repeatedly alleged by Mr. Gladstone; but in order to produce a condition of things in which a remedy by law was possible.

'A system of this kind,' he said, 'is destructive to the industry of Ireland; destructive to her agriculture, to her commercial prosperity; it is sapping the foundations of society. It is this state of things with which we have to deal, and with which we intend to deal. It has been our lot to have to propose stringent measures, I admit; but we have to grapple with an organisation of which the measures are far more stringent than ours. We have to grapple with a tyranny which is established in every part of Ireland. The late Prime Minister and his colleagues do not seem conscious what a degradation it is to the Government of this country—of which they were the ornaments—that it should have to retreat in almost every portion of Ireland before the tribunals of the Honourable Member for Cork. It is a disgrace to this country that it should have to do so. The Right Honble. Member for Midlothian spoke of a breach of trust. He said this House would be committing a breach of trust by passing measures of this kind. We too have a trust which has been placed in our hands; we think we have a trust to which it is our bounden duty to be true. A trust has been placed in our hands by the People of this country; and the breach of trust will indeed be great if we cannot restore the authority of the Queen and the Law, respect for the Judges, and liberty to all classes of Her Majesty's subjects in Ireland.'

Five nights of debate had been given to the first reading of the Crimes Bill, and seven more were consumed before the Bill was read a second time. Ultimately, after prolonged and occasionally violent discussions, the Bill was got through Committee by the aid of the newly invented and highly unsatisfactory instrumentality of 'closure' and 'guillotine,' and on July 8 it passed the third reading. Thereupon

Mr. Balfour at once invited the attention of Parliament to remedial legislation, proposing a measure for widening the scope of the Land Act of 1881 by extending it to leases, for facilitating the purchase of land by tenants, and for checking harsh evictions. In the following year five millions more were added to the five millions already provided, under Lord Ashbourne's Act, to forward the policy of assisting tenants to become the owners of their farms. It is unnecessary in a 'Life of Lord Goschen' to recount in any detail the struggles in Parliament and in Ireland that took place in carrying out the policy of the Government—the rendering the law supreme, the passing of measures to better the relations between agricultural classes, and for the relief of distress. Law and order were maintained. Remedial legislation was passed. Parliamentary obstruction was not suffered to be victorious. In Parliament and in Ireland, Mr. Balfour ultimately triumphed all along the line. Seldom has a Leader of Opposition fought more passionately against a Government than did Mr. Gladstone on every incident of that prolonged struggle. It usually fell to Goschen, as the most weighty speaker in the Government, to follow the ex-Prime Minister in debate; and in later days the former used to pride himself on the intimate knowledge he had thus acquired of the singularly subtle mind and ingenious dialectics of his great adversary. Goschen appreciated the danger of attributing a plain interpretation to an apparently plain statement. He was wary in the look-out for pitfalls, for limitations capable of an extension that might leave little of the statement intact. What was the *definite* meaning that Mr. Gladstone himself attached to his copious language? Goschen would ruthlessly take his rhetoric to pieces, with telling effect upon the minds of that portion of his audience which had not abjectly succumbed to the glamour of Gladstonian eloquence.

Part of his well-earned autumn holiday Goschen spent in Ireland, paying a series of visits, accompanied by Mrs. Goschen and his second son. 'Found Irish landlords had learned nothing, and forgotten nothing,' is almost the only entry in the diary for the year 1887. Later in that year he was again active on the platform, delivering in the Manchester Free Trade Hall a very stirring speech, of which the keynote was 'We surrender neither to Time nor Crime.'

In 1888 and 1889 the Irish controversy, which had absorbed the attention of Parliament ever since its election in 1886, once more entered upon a somewhat new phase. Instead of discussing 'Home Rule' and 'coercion,' Parliament, Press, and public found their chief—almost their sole—topics of political interest in 'Parnellism and Crime' and the 'Parnell Commission.' Party fervour rose to great heights, and before long Lord Salisbury's Government found itself accused by its opponents of conduct which, in its wickedness and meanness, could not be paralleled in recent British history. Writing when the lapse of half a generation might have been expected to cool the fierceness of Party zeal, Lord Morley[1] has declared that 'the creation of the Special Commission of 1888 stands out as one of the ugliest things done in the name and under the forms of law in this Island during the century.' Goschen, of course, had his full share of responsibility, along with Lord Salisbury and the other Ministers, for the action taken, and though not in office, the responsibility of Lord Hartington and Mr. Chamberlain was, in truth, not less than theirs.

The articles published by the *Times* in 1887, known as 'Parnellism and Crime,' were written with the object of proving that what professed to be a constitutional attempt, by means of parliamentary action, to establish Irish Home

[1] *Life of Gladstone*, vol. iii.; 1903.

Rule was, in fact, a great conspiracy, employing criminal means, to bring about the establishment of a separate and independent Irish nation. In bringing before the British people the political action of Irish members outside the House of Commons, their speeches in America, their connexion with avowed enemies of this country, and so forth, the great paper was assuredly performing a legitimate and most useful function. If the facts were as stated there was every reason why the instructors of public opinion should enlighten the country as to the true nature of a movement which, in England, professed to be purely constitutional, and which was obtaining support from men ignorant of the truth. Mr. Gladstone a few years before had himself charged Irish Nationalists with aiming at the 'dismemberment of the Empire,' had declared that the 'sanction of "boycotting," that which made "boycotting" thoroughly effective was the murder which was not to be denounced,' and that 'crime had dogged the steps of the Land League.' Though of much less importance than the general history of the Nationalist movement, the specific charges made by the *Times* against individual politicians excited far greater interest. On the day when the Crimes Bill was to be read a second time, the *Times* published the facsimile of a letter alleged to have been written by Mr. Parnell a week after the Phœnix Park murders, apparently to a friend who approved and possibly was accessory to them, in which he declared that his denunciation of the crime was a piece of policy on his part, that Lord F. Cavendish's death was a regrettable accident, but that Burke had got no more than his deserts. The *Times* pressed this and other criminating letters against Mr. Parnell as evidence proving the sympathy with which the Nationalist leader regarded the worst crimes of assassins and outrage-mongers. Mr. Parnell was, in fact, most cruelly

wronged. The facsimile letter and all the letters attributed to him were forgeries; for the *Times* had been made the victim of the grossest imposture, and had recklessly accepted as genuine documents letters which had been manufactured, in expectation of payment, by a bankrupt editor of an Irish patriotic newspaper, and which the slightest inquiry would have shown to have come from a most suspicious and disreputable source.

No reasonable man doubted the good faith of the responsible managers of the *Times*, however severely their want of caution and negligence deserved to be condemned. The high character of the newspaper seemed to many almost to compel belief, even as against Mr. Parnell's absolute denial from his place in Parliament that he had ever had any knowledge whatever of the *facsimile* letter. The Government was, of course, in no way implicated in a dispute between a private Member of Parliament and a newspaper; but unfortunately the Attorney-General, in his private capacity, was subsequently employed as counsel for the *Times* in an action for libel brought against it by a Nationalist member, and in his client's behalf had read out the alleged Parnell letters to the Court, and professed his readiness to prove them.[1] This gave, perhaps, some colour to, though it afforded no real ground for, the allegation that the *Times* and the Government were co-operating to bring about the destruction of the Parnellite Party.

On the night of April 18, 1887, when the facsimile letter had appeared in the *Times*, Mr. Parnell had wound up the debate on the second reading of the Crimes Bill. He had then taken the occasion to deny entirely all knowledge of

[1] *O'Donnell* v. *Walter*, tried before the Lord Chief Justice of England, July 1888.

the letter. He did not appear to contemplate legal proceedings against the *Times*, and was disposed to regard the charges made against him as worthy merely of contempt. The following month Mr. Dillon complained, in the House of Commons, of the articles in the *Times* as constituting a breach of privilege, and a debate which lasted for four nights took place, in which the question of privilege was fully discussed, with the result that the House decided that it was not expedient, especially in the absence of all means for founding a judgment on the truth of the matter, so to treat the *Times* articles. Mr. Gladstone, in close co-operation with the followers of Mr. Parnell, urged an investigation by a Select Committee of the House of Commons. Goschen very vigorously (on the fourth night of the debate) supported the line which Mr. W. H. Smith had taken, and to which the Government was constant throughout. It refused the Select Committee, advised those who complained of being libelled by the *Times* to seek their remedy in a court of law, and even undertook that the country should pay the expenses of the prosecution, which would be in all other respects left entirely to the management of the accused Irish members. This offer was rejected, and the matter might possibly have rested there but for the reiteration of the charges and allegations of the *Times* by the mouth of the Attorney-General in the trial of *O'Donnell* v. *Walter* in July of the following year. The day after that trial was over, Mr. Parnell, in the House of Commons (July 6, 1888), declared the facsimile letter and the other letters referred to by the Attorney-General to be absolute forgeries, and on the 9th (Monday) gave notice that he would move for a Select Committee to inquire into the charge made against him by the *Times* of having written them. It was noticed in the House at the time that Mr. Morley and Mr. Parnell

were much in consultation together, and that Mr. Herbert Gladstone was continually conferring with other less important members of the Irish Party. We now know, from Lord Morley's own account of the matter, that Mr. Gladstone, Mr. Parnell, and he himself did not take exactly the same view as to the best method of dealing with the situation. On July 12 (Thursday) Mr. Parnell asked for a day for the discussion of his motion for a Select Committee, which the Leader of the House, Mr. Smith, refused, as he had done the previous year. He now, however, offered, on the part of the Government, to bring in a Bill to establish a 'Special Commission,' consisting of judges, to inquire into the authenticity of 'the letters' and the whole of the charges and allegations made by the *Times* against the Nationalist members—the subject-matter of the recent trial before the Lord Chief Justice.

Much was to be said in favour of leaving the whole matter to the courts of law. It was alleged, however, on one side and the other that it would be impossible to get a fair trial before judge and jury, though it was open to Mr. Parnell to bring a libel action in England or Ireland as he chose. The Government would have preferred regular legal action, and had even offered, as has been said, to make the prosecution of the *Times*, so far as expense was concerned, a Government prosecution. But they held strongly, and were right in so holding, that if a special tribunal was to be created for the investigation of these charges, it must be the most impartial and competent Court that could be provided. They thought, and the public agreed with them, that a Select Committee of the House of Commons, composed therefore of Party politicians, was eminently unfitted to investigate in a judicial spirit matters concerning which Party feeling was keenly, almost passionately, excited.

This offer of a special statutory Commission the Government hoped that the Nationalist members would accept.

Mr. Parnell seemed for a time not very unwilling to assent to this course.[1] He was anxious for a genuine investigation at once, and the enormity, from the constitutional point of view, of the Government's offer, though it oppressed the soul of Mr. Morley, had not yet occurred to the mind of the Irish leader. When, late at night on July 16, Mr. Smith asked leave to introduce the Bill, Mr. Parnell showed a passion very natural under the circumstances, though very unusual with him. Shouting out something about 'a jury of butchers,'[2] which was imperfectly heard, and almost coming into conflict with the Speaker, he denounced both Government and Attorney-General in language of much violence. Yet he was afraid the Government would back out of its offer of inquiry, and he was, he said, determined to hold them to it. Evidently Mr. Morley's view of the Special Commission Bill was, to begin with, by no means universally shared by his political friends, and it was read a first time (July 16) without opposition. Mr. Gladstone would have preferred a Select Committee. But it did not follow that he was ready to reject *in toto* the Government offer, which Mr. Parnell seemed half ready to accept. After two nights' debate, in which Mr. Gladstone, Sir Charles Russell, and Mr. Parnell took part, the Bill, notwithstanding Mr. Morley's bad opinion of it, was read a second time at midnight (July 24) without a division.

The course of the Bill in Committee was to prove more difficult. It was the object of the combined forces of Mr. Gladstone and Mr. Parnell to narrow the scope of the

[1] *Life of Gladstone.*

[2] Mr. Parnell explained next day, in a letter to the *Times*, that he was not thinking of the judges when he used these words, but of his accusers and the Government.

inquiry to the authenticity of the Parnell letters; to convict the Government and the *Times* of acting in collusion with a view to discrediting a political Party to which they were opposed; and, lastly, to prevent exposure of a close connexion between the Irish Parliamentary Party on the one side and the declared foes of this country and the advocates of crime and outrage on the other. The Government had nominated three very able judges to form the tribunal, the absolute impartiality of which, when it got to work, was never questioned by any responsible person. In the House of Commons, in the last days of August, the 'Charges and Allegations Bill' was obstructed and discussed with much violence, every possible attempt being made by Irish and English Home Rulers to discredit in advance the proposed tribunal. Mr. Gladstone's occasional complete loss of self-control, especially in the vehemence of his hostility to Liberal Unionists in general, and to Mr. Finlay[1] in particular, was much commented upon at the time; personal altercations and 'scenes' were frequent, and in the small hours of the morning it was sometimes all that the Chairman of Committees (Mr. Courtney[2]) and the Speaker could do to maintain order and decorum in the House of Commons. Ultimately closure and guillotine were resorted to, the Bill became law, and on October 17 the Parnell Commission began its investigations.

On general and abstract grounds much can be said against the creation of a special tribunal to investigate the conduct of political groups and the truth of charges against individual members of being more or less closely connected with crime. In theory, impartial courts of law,

[1] M.P. for Inverness Burghs, afterwards Sir Robert Finlay, Attorney-General, 1900–1905.

[2] Now Lord Courtney of Penwith.

civil and criminal, are accessible to all British subjects. If Mr. Parnell was a criminal conspirator he might be prosecuted. If the *Times* libelled him, let him sue or prosecute the *Times*. Lord Randolph Churchill disapproved of the appointment of the Parnell Commission on this ground, and when it was first suggested sent a memorandum[1] of his views on the matter to Mr. W. H. Smith. On the other hand, there were special facts to be considered. A trial by judge and jury in London, or in Dublin, would, it was thought, not command public confidence. Mr. Parnell and his friends, perhaps not altogether unreasonably, declined to take action. The demand for investigation came from him; but in the objectionable form in which he asked for it the Government refused it, feeling that if an exceptional tribunal was to be created at all, it was their duty to see that it was of the very highest character, in point of the ability, experience, and impartiality of its members. As a matter of fact, by the instrumentality of the tribunal constituted by the Act, Mr. Parnell was entirely absolved from the charge of having written the incriminating letters. The judges found that all these letters were forgeries, that Mr. Parnell was not intimate with leading 'Invincibles,' and that at the time of the Kilmainham negotiations he had no knowledge that Sheridan and Boyton had organised outrage, or had proposed to utilise them to put it down. In short, as regards the distinctly personal charges made against him, Mr. Parnell was cleared, as he could not have been by an inquiry limited to the authenticity of the letters.

On the other hand, the general evidence taken before the Special Commission as to the relation between Irish politics and Irish conspiracy, between those who supported

[1] *Life of Lord Randolph Churchill.*

a constitutional movement and those who were prepared to go all lengths in rebellion, throws a flood of light upon those troubles with which British statesmen, whether Mr. Gladstone, Lord Spencer, Mr. Forster, and Sir William Harcourt on the one side, or Lord Salisbury and Mr. Balfour on the other side, have had to deal. What was the *real* end for which the Irish Land League, so long the foe of Liberal and Conservative Ministries, was working? 'In our judgment,' say the Commissioners, 'some of the respondents' (naming eight of the best-known Nationalist Members of Parliament, but not Mr. Parnell), 'together with Mr. Davitt, established and joined in the Land League organisation with the intention by its means to bring about the absolute independence of Ireland, as a separate nation.' It was with this Land League—afterwards the National League—with its courts and its laws, and their sanction of boycotting, that first Mr. Gladstone, and afterwards Lord Salisbury, had to struggle. Mr. Gladstone's alliance with Mr. Parnell had increased tenfold the difficulty of upholding the law. The battle was at last won, thanks to the firmness of Lord Salisbury, Lord Hartington, Mr. Balfour, and Mr. Goschen, to the steadiness of Liberal Unionist support, and the determination of the House of Commons of 1886–92 to maintain at the same time both the Union and the law.

The findings and the evidence taken by the so-called Parnell Commission will be studied by all historians who are anxious to get at the truth about Irish agitation during the last quarter of the nineteenth century. How far this or that individual may have gone beyond the law in his method of operating is not historically of so much interest and importance as the question of the political aims of the Nationalist Party. Was its end the extension of local government in Ireland, a desire on the part of Irishmen to

acquire a greater power of managing their local affairs, or did it aspire to make Ireland, in the political sense, a nation independent of and completely separate from Great Britain? Men must judge for themselves. The evidence is before them. The *Times* had libelled Mr. Parnell. The Special Commission had absolved him of the 'personal charges.' For the rest, it had laid bare the working and the aims of a great conspiracy, whose success would have been absolutely incompatible with the unity of the great nation of which Ireland is an inseparable part.

CHAPTER VI

CHANCELLOR OF THE EXCHEQUER

HAVING now fully thrown in their lot with the Irish Nationalists, English Home Rulers had little right to feel disappointed that Liberal Unionists remained unshaken in their alliance with Lord Salisbury, notwithstanding the recourse of his Ministry to so-called 'coercion.' Conservatives, on their side, were ready to do what they could to approximate their general position to that of a moderate Liberalism, and to help the country along the pathway of well-considered reform. Looking back upon the history of Lord Salisbury's Administration, 1886-92, it is evident to everyone to-day that no Ministry ever less deserved to be called in the old sense a 'Tory Government,' or less merited the accusation of being wedded to a policy of stagnation. There were, of course, in that Party not a few who disliked all change, and a good many who, at least in their fiscal aspirations, were even reactionary; but Lord Hartington had made it perfectly clear to all men that the success of the Unionist alliance depended not less on the moderation of Conservatism than on that of Unionist Liberalism, and that neither he nor his friends were prepared to go back in a Tory direction from the political principles they had always held.

In this spirit of give and take Mr. W. H. Smith undertook to lead the House of Commons, and he was fast

earning the respect and entire confidence of Liberal Unionists and Conservatives alike. Lord Salisbury, at Liverpool in January 1888, had referred with much frankness to the difficulties which the upgrowth of a 'group system' in the House of Commons might perhaps produce. He counted, he said, four Parties in that assembly, with no one of them able to outweigh the other three. He fully recognised the patriotic spirit of the Liberal Unionists, 'guided by one of the most disinterested men who ever lived'; but he felt it right to exhort his followers, and he was speaking, he said, to Conservatives only, to remember that the Government existed for the sake of the great and supreme object of upholding the Union, with the assistance of Unionist Liberals. Hence he declared that the measures of the Unionist Government must bear, to a certain extent, the colour of the Unionist Party which supported it. Though there was no coalition, there was an alliance, and therefore he hoped Conservatives would not judge the Ministry hardly if a Liberal Unionist hue should, to some extent, colour the measures which would be presented to Parliament.

In the preceding November[1] the General Meeting of Conservative Associations—the grand caucus of the Party—had been held at Oxford, and by a very large majority had declared in favour of a policy of Protection as a remedy against the depression of trade and agriculture, and as a cure for the evil of unemployment. Lord Salisbury and his principal lieutenants, Mr. W. H. Smith, Sir M. Hicks Beach, Lord George Hamilton and the rest, were believed to be strong Free Traders. Mr. Chaplin, however, was the spokesman of that portion of the agricultural interest which still hankered after the happy times before the 'little Englander' Cobden and the traitor to true Toryism, Sir

[1] November 21, 1887.

Robert Peel, had, as they believed, brought ruin upon the land! Mr. Chaplin and his friends had lately been joined by some manufacturers who feared competition as the cause of the low prices at which they were forced to sell and the public were enabled to buy their products. Lord Hartington and Mr. Goschen, Mr. John Bright, Sir Henry James, and Lord Derby were all, it need not be said, staunch Free Traders, and Mr. Chamberlain, with the knowledge that he had acquired of the interests, and indeed the necessities, of this country when presiding at the Board of Trade, had quite recently, in several powerful speeches, entirely refuted the fallacies of the 'Fair Traders.' Even had all Conservative statesmen been willing (as they certainly were not) to accept the retrograde policy of their caucus, the alliance with the Liberal Unionists would have made it absolutely impossible for them so to do. Hence for the time being Free Trade was safe, and Lord Salisbury, the Conservative leader, endowed with a wisdom lacking to caucuses in general, and in a high degree to that caucus in particular, left the resolutions of the latter severely alone. The Prime Minister was a strong man, and under his Ministry it was certain there would be no fiscal reaction.

In carrying out a policy of moderate, steady and well considered reform, Goschen was able to render to Lord Salisbury the greatest assistance. More, probably, than any other statesman, he had studied the problems of local government, and it was in the successful management of national finance that the prospects of domestic reforms largely depended. On April 21, 1887, he brought forward his first Budget. As regards the revenue of the year just ended, the actual had exceeded the estimated revenue by over a million; whilst as regards expenditure, the amount

spent was less than the estimate by some £800,000, for which he gave some credit to the exertions of Lord Randolph Churchill in the cause of economy. Unfortunately, supplementary estimates had been required, and the actual surplus for the past year was reduced to three-quarters of a million. Looking forward, he estimated the surplus for 1887–88 at £975,000, which, by a slight increase of stamp duty on transfer of debenture stock, he proposed to increase to £1,075,000. Amongst minor reforms he reduced the tax on tobacco, which had been raised beyond the point consistent with the advance of that trade. He also provided in favour of farmers of land that they should have the option of paying income tax under Schedule D on their actual profits, instead of on the half of their rent, the arbitrary basis previously fixed under Schedule B.

In order to introduce lucidity into the national balance-sheet, and to let the British citizen, unaided by experts, see for himself the actual amount of the National Debt, Goschen removed from that debt the amounts borrowed for purposes of local loans, and created £37,000,000 of a three per cent. Local Loan Stock—the amount at that time outstanding and owing by the local authorities to the nation. The Chancellor of the Exchequer stated that the amount advanced by the nation to local bodies since the beginning of the century was over a hundred millions. Local loans ran, he explained, for twenty-five, thirty and forty years, and sometimes longer; but they had been financed in part by the issue of Treasury Bills repayable every three or six months: in part the money had been advanced out of Exchequer balances, in part by the National Debt Commission. It was bad finance, he laid down, to borrow on Treasury Bills for a permanent purpose. In view of the growing character of these local loans,

Goschen thought it essential to keep, with regard to taxes, a separate account, and he proposed therefore to take them entirely out of the Budget.

'No one can estimate what our National Debt is, if he does not know against how much of it there are sets-off on the other side. For instance if it was intended to add ten millions to Local Loans, that might be raised by adding ten millions to Consols. That £10,000,000 would then enter into the body of our National Debt, while we had not really increased it. We had been incurring a liability, but we had an asset on the other side.'

There were other proposals of the Budget that called forth greater difference of opinion. Goschen invited the House of Commons to reduce the annual permanent charge for the National Debt (fixed by Sir Stafford Northcote at £28,000,000 in 1874) to £26,000,000, and at the same time to reduce the income tax from *8d.* to *7d.* in the pound. These two proposals went hand in hand. The Chancellor of the Exchequer fully recognised the seriousness of a proposal to diminish the sum set apart for the reduction of the National Debt; but he was also aware of the evil of burdening the country, and checking its return to prosperity, by heavy taxation. The elasticity of the revenue had greatly fallen off in recent years.

'When the charge for £28,000,000 was fixed the Income Tax stood at *2d.* in the pound. It stands now at *8d.* This is a notable point. At the end of the year 1874–75 the total charge on taxes was £62,633,000, the net Debt charge being £26,495,000, so that the total charge on taxes for the whole of the other Services exclusive of the Debt charge was £36,138,000. Last year the total charge on taxes was £75,340,000; the net Debt charge being

£26,596,000 even after the Sinking Fund had been suspended, otherwise it would have been greater. The total left for other purposes than the National Debt was £48,744,000 as compared with £36,138,000. We are paying, exclusive of Debt charge, £12,600,000 more in taxes than at the time when Sir Stafford Northcote made this proposal.'

Before 1874 the revenue had been increasing by leaps and bounds; *now* the situation was very different, and the effort to maintain very high taxation, in order to pay off debt, might endanger the permanent existence of the Sinking Fund. The burden of paying off the Debt practically rested on the payers of income tax, and in the interests of sound finance Goschen felt bound to reconsider the whole situation, especially if no new source of revenue could be discovered.

'Is it reasonable,' he asked, 'to maintain the income tax, in a time of peace, at four times the figure at which it stood when the Debt charge was fixed at its present amount? Or is it reasonable, to take another point, that we should so hamper ourselves with a heavy Debt charge, that we have never anything to spare for reforms of taxation, involving an immediate loss, but which may promise great ultimate advantage to the Revenue?'

The Chancellor of the Exchequer bore in mind the fact that his colleague Mr. Ritchie, the President of the Local Government Board, had in preparation a Local Government Bill which would deal both with local authorities and local finance, and that local government reformers had for long urged the principle of handing over certain taxes to these authorities. He was prepared to take a step in that direction, in its nature temporary, since the new local authorities had not as yet been

constituted, by granting an equivalent to the Carriage Tax—say £560,000—to local authorities in Great Britain, and a corresponding amount for Ireland, till in a future year the subject of local finance was taken up as a whole.

The general remarks with which Goschen opened his speech attracted as much attention as his definite proposals. Men were anxious to know how the financial situation of the country was regarded by a statesman of the great commercial experience and trained intellect of the new Chancellor of the Exchequer. Goschen was sanguine, too sanguine in the light of later events, as to the probable future decrease of expenditure in Army and Navy Services. But it was the growth in the Civil Service Estimates (in twenty years eighty per cent.) that most impressed him. This was not due to less efficient or more extravagant administration. It was not due to this or that Government. It was due to the fact that Parliament and public opinion forced upon the State new duties, which formerly were performed by individual citizens or local authorities, or not at all. He gave a list of the 'new services' for which in recent years the State had had to provide. That, in these cases, the object was good he did not deny; but the expenditure thereby necessitated was immense. And whilst the national expenditure was growing with such rapidity the revenue was largely losing its elasticity. Time was when the produce of the taxes on articles of consumption developed very much faster than the growth of population, whilst in the preceding year it had hardly equalled it. This was in part due to the lessened consumption of alcohol.

'But while we have lost a great deal on alcohol we have not gained sufficiently on other articles to make up for the loss, partly because the other articles subject to taxation are now so few, and partly from other causes. I am not looking

at it now from the point of view of the consuming power of the country, but simply from the fiscal point of view.'

He hoped that the very considerable fall in the revenue from alcohol was for the most part due to increased temperance.

'Now in former times when there was a large number of articles subject to duty, it was generally expected that when there was a falling off in one branch of revenue the loss would be recouped under other heads; but now when you lose this you have nothing to fall back upon but tea, coffee, tobacco, and dried fruits.'

The basis of our taxation was, he said, too narrow. It was not the diminishing power of consumption on the part of the people, but the diminution of the number of taxed articles that produced these results. Alcohol had fallen off in ten years four millions, whilst these other duties had only increased by two millions, notwithstanding an increase of ten per cent. in the population. When he turned to the Establishment Taxes, falling upon the richer part of the community—carriages, servants, armorial bearings, etc.—the diminished revenue was evidently the natural result of the commercial and agricultural depression of the last few years, which had compelled the more well-to-do classes to curtail their luxuries. As regards the income tax, the assessments in respect of lands and farming were diminishing, whilst that in respect of houses was slightly increasing, and assessments under Schedule D—that great stand-by of Chancellors of the Exchequer—dealing with the profits of trades, business, and the professions, had only during the last ten years increased by a paltry five millions! In the seven years between 1869 and 1876 he pointed out that the assessment under Schedule D had jumped up

eighty millions—from £161,000,000 to £242,000,000. He gave reasons for thinking that wealth was tending to become more widely distributed amongst a greater number of persons.

'The commercial depression has struck at the top; it has struck the great manufacturers; it has also affected the wage-earning classes to a certain extent, though they have been largely indemnified by the fall in prices; it has struck at the agricultural classes and the farmers; but the middle-man has not suffered to the same extent.'

Mr. Gladstone thought that the Budget would be a memorable one, and he was joined by Lord Randolph Churchill in urging that whilst they approved the reduction of the income tax, the loss of revenue should have been made good by reduction in expenditure, not by diminishing the amount set apart for the payment of debt, and they both protested against the policy of local subventions. The Budget was, however, not seriously fought, and the resolutions passed without amendment.

The following year was made memorable in the history of British Finance by Goschen's successful conversion of a very large portion of the National Debt. The 'three per cents.' were to be changed by two successive stages into stock bearing 2¾ per cent., and ultimately 2½ per cent., thus effecting a saving of annual interest of half a million on every hundred millions of the capital of the Debt. It was believed that the Chancellor of the Exchequer had set his heart on carrying a measure which would bring this immense permanent relief to the taxpayers of the future. Parliament did not meet till February 9; but rumours of Goschen's intentions were abroad, and he had talked over his plans with several experienced financiers.

Mr. Childers, who had been Chancellor of the Exchequer under Mr. Gladstone, wrote to him on January 10, 1888:

'6 St. George's Place,
'Hyde Park Corner.

'MY DEAR GOSCHEN,

'. . . You will have my cordial sympathy, and any help I can possibly give, in the great work of conversion. I think you have laid the foundation well, and I now understand why you made your new stock a 3 per cent. and not a 2½ per cent. one. I quite agree with you that another failure would be disastrous, and that if you strike the blow, success should be morally certain. My proposal of '84 was purely a voluntary one, but I indicated pretty clearly that a compulsory plan should follow, and I disclosed, to Hubbard's horror, some of the compulsory powers which Parliament had received. But you may be able to act compulsorily without using those latent powers.

'Your revenue looks well to an outsider, and also your expenditure. . . .

'Yrs. very truly,
'HUGH C. E. CHILDERS.'

A few days before Goschen explained his plan to the House of Commons Lord Randolph Churchill, his immediate predecessor at the Exchequer, warned him of the serious risks he was about to run. In truth these were very great, but Goschen met them with conspicuous courage. After complete success had been obtained, many people were far too much inclined to underrate the difficulties and the dangers that Goschen had had to face. Lord Randolph's letter points these out very forcibly. The end of the letter, though dealing with other topics, is, nevertheless, well worth recording as indicating the kind of measures to which a very able statesman was looking to render more effective the control of the House of Commons over the national expenditure upon the Army and Navy.

'2 Connaught Place, W.:
'*4th March* 1888.

'(*Private.*)

'DEAR MR. GOSCHEN,

'You were so kind as to converse very freely with me last night about your project for refunding at a lower rate of interest a large portion of the debt; and I have been thinking a good deal over what you said. I do not fear that you will think me presumptuous if I further submit to you my views.

'The object of a conversion would be I presume to save from one to two millions of money on the charge for the debt; and no one can say that such an object is not an excellent one in every way. The question is, Is it attainable, and is it so desirable as to make it worth the while to run the risk of the great political rather than financial disaster which would result from your failure? The reputation of the Conservative Party for financial skill has been at a very low point since the time of Sir R. Peel, and I have always felt that we suffered severely in the estimation of the people on that account.

'My idea was to raise the character of the Party on financial policy by rigid and vigorous retrenchment, and though perhaps I went to work too roughly, all that I have learnt convinces me that in that direction not only is a safe and popular policy to be found; but that the room for carrying it out largely is ample. It is moreover unattended by any risk of failure or discredit. You will not be displeased with me for stating frankly my strong opinion that since I left office retrenchment has been pursued apathetically, and with *mollesse*, and a finance Minister who is open to criticism on this point will I think be weakened in respect of other projects which he has in view.

'Now as to conversion I have heard much on the subject lately from more than one quarter of high authority.

'1. It is not and cannot be popular, except with those who do not hold Consols. I suppose an immense proportion of fundholders have purchased their stock at 100 or even under, and 3 per cents. at 102½ are to the popular instinct, which does not count as closely as might be thought, a more desirable and attractive possession than 2½ per cents. at 96 or 95. Nor do I think you can afford to pay off at such a price and on such terms as will satisfy those who have purchased at par, or under, that they have not been done out of a legitimate gain, and those who have purchased above par that they have not been forced into a loss. Besides which there are all the old women and old men in the country who like to get 3 per cent., and do not like to get 2½ per cent.

'2. Childers' failure, in respect of conversion, is still fresh in the public memory, and still handicaps a Chancellor of the Exchequer aiming at the same thing.

'3. The placing of the Local Loans Stock does not seem to have been altogether fortunate and seems to have rather irritated than soothed the market.

'4. The great houses do not consider the circumstances of the time propitious for a large refunding operation, and the transactions of the market last week confirm this view.

'All these objections are not very formidable in themselves if the Chancellor of the Exchequer has behind him the great houses: but in all probability the risk of defending in the House of Commons the terms which the great houses would require for their support would be too great to be prudently run by the present Government. I gather from your conversation last night that you contemplate with dispensing the having recourse to the assistance of the great houses; and rather working by means of a number of smaller operators on terms reasonable and even cheap. In that case I have great fears from what I have heard that your plans which are sure to be in themselves good will be met by a formidable, perhaps irresistible, undercurrent of hostility. I am bearing in mind also that some days ago

you mentioned to me that you contemplated dealing with the note issues of country banks, and I do not know whether such dealing will make the country banks your friends or not your friends.

'Looking at all the circumstances of the time, the state of Europe; the parliamentary position of the Government; the supreme importance from a Unionist point of view of running no unnecessary risks, my instinct rather than actual knowledge or reason to which I lay no claim would lead me to counsel delay and inaction as regards conversion. I only claim to represent the stupid uninformed "Man-in-the-street," who after all is the ultimate arbiter in these things. On the other hand I fully admit that if you were to effect successfully a conversion which would place at your disposal considerable sums for remitting taxation without apparently adding to the capital of the debt, the gain to the Unionist Party would be enormous.

'The other matter on which we spoke was Army administration in connexion with the debate on estimates to-morrow, and on that point I am anxious that you should not misunderstand what I personally am driving at.

'I have long been of opinion that the civilian management of the Services has completely broken down and has landed us in heavy expenditure without giving us any approach to efficiency or preparedness. I am certain that if Lord Salisbury really knew how utterly rotten is the condition of the War Office and Admiralty, and how certain a smash would be in the event of war he would devote all his energies and great authority to constituting an Army and a Navy in preference to any other subject foreign or domestic.

'I distinguish broadly between civilian management and Parliamentary control, and wish to abolish the former which we now possess and substitute for it the latter which we do not possess. Direct responsibility from the military authorities to Parliament is what I am desirous of establishing. At the present moment Parliament cannot censure

the Secretary of State for he shelters himself under his military advisers, nor can you get at the latter for they shelter themselves under the Secretary of State who brings to his rescue a disciplined party majority. Consequently things go from bad to worse; year after year millions are voted and your military and naval position remains unimproved. Your soldiers are listless for they have not the control of their own affairs. Your civilians are mischievous, for they have not and cannot have the knowledge to fulfil the duties which they insist on retaining in their hands. Here I find you might follow a great and popular policy: Army and Navy reform in a new direction, one of common sense. If the soldiers and sailors in the House of Commons go for that I will go with them as strongly as I can, not caring greatly if Government was placed in a minority; if not I shall keep quiet and bide my time until a better combination of parties appears, or till SMASH has taught politicians how foolish they have been. Please excuse this long letter.

'And believe me to be yours very truly,

'RANDOLPH S. CHURCHILL.'

On March 9, Goschen, in Committee of the whole House, brought forward his proposals before a deeply attentive audience. The object he had in view was to lighten the public burdens, and at the same time to raise the public credit, and he explained fully the methods by which he hoped to carry out his policy. The conditions which existed at the time of Mr. Goulburn's successful conversion he found again in existence—public expectation, the high price commanded by sound securities, the low rate of interest of the floating debt, the generally satisfactory state of the revenue, and the condition of the balances. He saw no reason to fear any disturbance from foreign complications. On all sides other lenders and investors were finding themselves obliged to accept lower interest, and a consequent reduction of their incomes,

It was evidently unjust to the taxpayer that he should be called upon to provide a higher interest on our enormous National Debt than British credit in the conditions of the money market made necessary. Goschen's examination of the history of previous attempts at conversion, successful or unsuccessful, had led him to certain definite conclusions, viz. to reduce the interest not all at once but gradually; to assume on the part of holders assent to the conversion unless, within a very limited period, dissent was signified; and not to increase the capital of the debt. The stock with which he proposed to deal consisted of—

£166,000,000 of 'New Threes,'
£69,000,000 of 'Reduced,'
£323,000,000 of 'Consols.'

Of these, the 'New Threes' were redeemable at par without notice and in any amount. The two last were redeemable at a year's notice, and in sums of not less than £500,000. He had decided to create a 2¾ per cent. stock, to become after fifteen years a 2½ per cent. stock, the latter rate to be guaranteed for a further period of twenty years; and in order to induce holders entitled to notice to come in at once he offered them a premium of 5*s.* on £100 up to April 12. A commission of 1*s.* 6*d.* per £100 was to be allowed to authorised agents on conversion of 'Reduced' and of 'Consols.' He had very little fear of holders standing out against the acceptance of his proposals, for if they were paid off what could they do with their money?

These proposals were very cordially received by the House of Commons, Mr. Gladstone and Mr. Childers joining in their congratulations to the Chancellor of the Exchequer and confidently looking forward to his success. Goschen's resolutions were unanimously accepted,

and three days later the Bill founded upon them was read a first time. In the debate on the second reading (March 16) Sir Charles Lewis, the Conservative member for Londonderry, opposed the Bill on the ground that it was unjust and inexpedient to reduce the incomes of those having money in the funds, especially of those who held small amounts, apparently thinking that a small fund-holder was the same thing as a poor man, and apparently believing also that the real object of raising money by taxation on the plea of paying interest on the National Debt was to provide a comfortable income for holders of Consols! For once the Conservative note of 'property in danger' was struck in vain, and it was with laughter from all sides of the House that the reading of a pathetic letter from a clergyman to Sir Charles was received:

'At the last General Election he had advised his parishioners to vote for the Conservative Party; because they were not likely to interfere with the rights of property. That confidence I can no longer adduce. . . . Confidence in their leaders has been utterly extinguished.'

On this line Sir Charles, of course, found no support amongst reasonable men; but when he came to attack the provisions of the Bill for providing a small commission of one shilling and sixpence per hundred pounds of stock converted to the bankers and authorised agents of holders, the case was different, and Mr. Henry Fowler,[1] late Secretary to the Treasury and member for Wolverhampton, came to his relief with a speech of no little vehemence, accusing the Chancellor of the Exchequer of 'bribing' the bankers and agents of stockholders to pursue a course by which the agents themselves would profit.

[1] Afterwards Viscount Wolverhampton.

The commission was to be given only as regards the converted stock of those holders who had an option. It then did not apply to the conversion of 'New Threes.' 'How could we prevent,' asked Mr. Fowler, in tones of indignation, 'people taking commissions when the Government itself was giving commissions to bankers and agents?' A little discussion showed that there was no analogy between the giving of secret commissions to agents, and public payment to compensate them for the very considerable trouble and expense to which they would often be put. Goschen had the laudable object before him of enabling holders to convert free of cost to themselves. Often there would be, as a matter of fact, commission or agency expenses incurred, and he did not want the payment of fees of this sort to have a deterrent effect on possible converters. As to banks, many of them, being themselves large holders, would be losers by the conversion. Sir John Lubbock and others warmly supported the Chancellor of the Exchequer, and after a few deprecating comments from Mr. Childers, the second reading of the Bill received the same unanimous consent of the House of Commons that had been given to the resolutions and the first reading.

Mr. Fowler was, however, unappeased, and in Committee (March 20, 1888) he proposed to get rid of the commission clause. He had by this time succeeded in persuading the Leader of the Opposition to support him, and on a division (the only division at any stage of the Bill) the clause was retained by a majority of 244 to 117. The discussion was useful, and satisfactory to all who were really anxious for the success of the conversion scheme, and it completely dispelled the notion that there was anything underhand or reprehensible in the methods adopted. Only the year before, Goschen pointed out, the Indian Government had

successfully converted £60,000,000 of 4 per cent. into 3½ per cent. stock, and had paid a high commission on the transaction without any serious objection having been taken. To which Mr. Gladstone made the true but irrelevant reply that this was not a parliamentary precedent, because India was not governed by Parliament, and what was done by India was no more a precedent for us than what was done by France or Spain. Mr. Gladstone did not think the one and sixpence commission at all too high; but he held that it was being paid to the wrong man—to the agent of the other party, instead of to the other party himself. The fundamental difference between Mr. Gladstone and Mr. Goschen was not great. Lord Randolph Churchill thought the commission too high, but saw no objection to its being paid to an authorised agent, and he held as a practical man that the only real question was whether the conversion could be got without it. Lord Randolph rightly thought that that was the light in which the matter was regarded by the general public. On the whole Goschen declared in his final reply that he was grateful for the support which his proposals had received from the Opposition and the public generally, and his measure, after passing, as a matter of form and without discussion, the House of Lords, received the Royal Assent.

The almost complete unanimity with which the conversion scheme had been received, and the success that appeared to be attending it, seemed likely to bring to the Chancellor of the Exchequer assured fame as a great financier. Under these favouring conditions, and whilst there was still nearly a week to run of the financial year, Goschen rose (March 26, 1888) to introduce his second Budget. He began by explaining that on this occasion he was practically bringing forward two Budgets—one Imperial

and one Local. A few days before, Mr. Ritchie had explained to the House of Commons his Local Government Bill, a measure which recast the whole system of local government, and the Chancellor of the Exchequer now took the opportunity to consider somewhat fully the subject of imperial and local finance with a view to remedying some at least of the inequalities of burden long and loudly complained of, and to readjusting on equitable principles the heavy weight of taxation falling upon ratepayer and taxpayer.

The actual revenue of the year, he found, had exceeded the Budget estimate of 1887–88 by one and half millions. The actual expenditure had been nearly half a million less than the estimate, and for the first time since 1870 the Chancellor of the Exchequer was able to boast that there had been no supplemental estimates for the Army or Navy. For this he gave much credit to the heads of these great spending departments—Mr. Edward Stanhope and Lord George Hamilton. It was the same with the estimates for the revenue departments, and though the Civil Service Estimates had had to be supplemented, the supplemental estimates even there had been lower than in any other year for the last twenty years. The revenue from death duties, general stamp duties and drink had been a good deal larger than was expected. Whilst wine had fallen, the revenue from beer, amounting to £8,700,000, was greater than had ever before been realised, a result he thought to be probably in part attributable to the celebration of the Queen's Jubilee and the great loyal demonstrations and festivities connected therewith. The produce of the income tax, on the other hand, in the last four years had been diminishing slowly. In 1884–85 the penny in the pound had produced two millions, but year by year since then

there had been a small decrease. As to the National Debt, the reduction of which he was charged with having neglected, he claimed to have paid off an unprecedented sum, viz. £7,300,000, out of moneys belonging to the year. The surplus actually realised for 1887–88 amounted to £2,165,000, the largest since 1873–74.

Turning to the future, and estimating his expenditure at half a million less for the coming than the past year, the Chancellor of the Exchequer proposed to pay off the temporary loans required under the Imperial Defence Scheme for the Navy and Army by charging the Navy Estimates with an annuity for ten years, and by charging the Army Estimates with annual interest, and ultimately paying off the capital of the loan out of the future dividends of the Suez Canal Shares. For the years 1888–89, on the basis of the taxation of the previous year, he estimated for a surplus of nearly £2,400,000. Gladly, he said, would he have undertaken in such circumstances to lighten taxation had he not seen that his satisfactory balance was menaced by Mr. Ritchie and his local government schemes with 'havoc and devastation.' Instead of the £2,600,000 annually granted to local authorities, which would not be withdrawn, he proposed to assign existing and new licences to the county authorities, amounting to £3,800,000, and, further, to give additional aid to the amount of £1,700,000 to the heavily burdened local ratepayer by assigning for local purposes one half of the Probate Duty, 'a tax which falls exclusively on realised personalty.' Thus the net gain to the local authorities for England and Wales would be £2,900,000, and something would be done to carry out the frequently expressed desire of the House of Commons; viz. to impose on other property some of the burdens hitherto resting entirely on land and houses. On the other hand,

he added slightly to the succession duty on land, in order to remedy a much-complained-of anomaly that death duties fell more heavily on personalty than on realty.

In his first Budget, Goschen had reduced the income tax from eightpence to sevenpence, and he now declared that he did not think that in a time of profound peace income-tax payers, who in any emergency were always the first to suffer, should be called upon for more than sixpence. The reduction of revenue thus caused, amounting to £1,550,000 for the current year, and the assistance given to the local authorities, would much more than dispose of his prospective surplus. Accordingly the Chancellor of the Exchequer had to look round him for fresh supplies, and these he hoped to obtain by a wheel and van tax, by a tax on 'pleasure horses,' by certain additions to the stamp duties, and by a tax on sparkling wines. To begin with, the Budget met with a satisfactory reception, Mr. Gladstone, when the House reassembled after Easter, expressing his approval of the principle of assigning taxes instead of making grants in aid as a good means of readjusting imperial and local taxation. He regarded with little favour, however, the new taxes, and it was very soon found that both wheel and van tax (in the House of Commons nicknamed the veal and ham tax) and the tax on 'pleasure horses' were unpopular, and they were ultimately abandoned.

In his third Budget, introduced on April 15, 1889, Goschen had once more to deplore the fact that a prospective surplus was to be entirely eaten up by new demands:

'for whilst the cormorants of local taxation reform were still dipping their hands into one of his pockets, the organisers of National Defence were now putting their hands into the other. . . . Nearly a million and a half additional had to be found for local taxation, and nearly another

million and a half for Naval Defence. The ordinary Army and Navy Estimates showed an increase of a million and a quarter; thus roughly there were four and a quarter millions of new demands, as compared with the preceding year!'

Fortunately the revival in trade was now producing an increased return from stamp duties and income tax; but the revenue from alcohol was diminishing, and that from the 'sober drinks'—tea, coffee, chocolate—was not growing in proportion to the increase of population and better trade.

From the figures which Goschen laid before the House of Commons he drew 'a moral':

'Let me enforce the contrast between the results of direct and indirect taxation in the past year by comparing these two great sources of revenue for some little time back. For five years the productiveness of indirect taxation has not increased at all. . . . Indeed they have fallen off one per cent. During the same time the yield of direct taxation—income tax, death duties, and general stamps—has increased by a little over five per cent. The two last have increased ten per cent. This remarkable contrast seems to show that the old policy of relying upon a very small number of articles of general consumption is one we can hardly trust to in the present state of things. It was different when the taxes on those articles were increasing in productiveness year by year by leaps and bounds. . . . There is more precariousness in these sources of revenue than we once believed. They are affected not only by changes of fashions and of morals, but by physical accidents; and from various causes they are not the same all sufficient stand-by, as in times past we used to consider them. . . . To trust to a few great articles of consumption was our fiscal ideal.'

In former days, whenever there was an emergency, or any difficulty about making the two ends meet, recourse was at

once had to the income tax. In Goschen's opinion, a constant reckless use of the income tax could not be justified. It was our great reserve, and he thought it neither just, nor safe, nor expedient, in the great interests of the State, to treat the income tax as a ready engine to get the Chancellor of the Exchequer out of every difficulty.

'Under present circumstances, I say, and I say it with some trepidation, and knowing the enormous difficulties which the discovery of new taxation involves, that it is better service to the State to increase the number of sources of revenue, than to attempt to find simplicity. I hear an expression of dissent; but if some of your great sources of revenue are breaking down under you, if you see a decline in them, and if on the other hand it is true that the income tax ought not to be used for every emergency, then you must be looking about you for new means of meeting the new demands that are being constantly made. . . . I feel so strongly on this point as a question of general policy that I have ventured with all respect and in all humility to give my views with all the emphasis I can command.'

As regards the National Debt, Goschen was able to show that, notwithstanding the reduction in 1887 of the Fixed Charge, the taxpayer had been able in the last two years to pay off an almost unprecedented amount of that debt, and he now intended to utilise annually for the same purpose a part—half a million—of the advantage accruing from the recent conversion. The remaining million would go to meet the extra charge for naval defences. On March 31 the whole amount of the National Debt stood at £698,000,000, lower than it had been for eighty years. Thus 'we had turned the corner of another hundred millions.' Still, he had a heavy balance against him for the coming year; to meet this he had recourse to an estate duty of one per cent.

to fall on all estate, real or personal, of a greater capital value than £10,000, to measures for preventing the constant evasion of death duties, and to a slight increase of the tax on beer. In concluding his speech Goschen summed up the 'broad results' of his three Budgets, and defended himself against the charge made by his opponents that he had proposed 'finicking measures,' and was always harassing one interest or another by the imposition of small new taxes.

'Allow me to present a balance-sheet of my deeds and misdeeds, assuming that the House is pleased to assent to the measures which I have proposed to-night. I will take my misdeeds first. I have diminished the Sinking Fund by a million and a half—originally by two millions, but I replace half a million. I have increased the death duties on fortunes exceeding ten thousand pounds by one per cent. I have added to the Succession Duty the equivalent of what remains of the Probate Duty as an Imperial tax. I have imposed a duty of some £150,000 on sparkling wines. I have put £300,000 on beer. I have increased the Stamp Duties by about £500,000. I have caught in the net of transfer duties some foreign securities which were before exempt. These are my misdeeds. On the other hand, I have reduced the Tobacco duty by £600,000, and the Income Tax by four millions. I have given two and a half millions in relief of Local Taxation, and two millions extra for National Defence. I have converted £500,000,000 of Consols; saving in interest £1,400,000 at once, and £2,800,000 by and by; and I have been able to pay off more Debt during my two financial years than has ever been paid off before in the same time, except on one occasion.'

Without claiming exclusive merit for himself, he thought he might claim to have dealt with the national finances in a broad spirit, and that 'he had carried out some measures which would redound to the lasting benefit of the Country.

CHAPTER VII

LAST YEARS AT THE EXCHEQUER

AS soon as Parliament met (February 1890) discussion on the well-worn theme 'Parnellism and the *Times*' was at once renewed, almost with ferocity, without waiting for the Report of the judges, which it was known was nearly complete. Up to the last the leaders of the Opposition continued to pour denunciations upon the Government and its supporters for proceedings which Mr. Gladstone, at Chester in January, declared 'constituted a case of oppression practised upon an individual which had no parallel in the conduct and proceedings of Parliament since the evil reign of Charles II.' In the middle of the month the Report of the three judges was published. It was hailed by Mr. Parnell's followers and allies as a triumphant verdict in his favour, whilst they did their best to ignore and discredit the conclusions at which the tribunal had arrived on questions of more real political importance. Mr. Parnell had, in fact, been most grossly and unwarrantably calumniated, and it was natural and right that public sympathy should be felt for him. The course of the proceedings had tended to raise still higher the high character for impartiality enjoyed by English judges; though Lord Randolph Churchill, in the memorandum submitted to Mr. W. H. Smith, had declared that that character must suffer

by taking a part in such an extra-constitutional inquiry. The matter was yet again debated at length in the House of Commons, with an amount of Party heat that now seems excessive. After all, it seems probable that posterity will regard Sir James Hannen, Mr. Justice A. L. Smith, and Mr. Justice Day as very poor representatives of Spanish inquisitors! It will hold that their conduct of very difficult investigations was absolutely impartial, and that in their Report they did justice and told the truth. This, indeed, was the sole purpose for which Parliament had created the Parnell Commission. Neither Lord Salisbury nor Mr. Goschen nor Mr. Balfour, notwithstanding the bitter denunciations of their action by political opponents, had any cause to look back upon that action with self-reproach or regret.

In the midst of all this Party violence and recrimination the material prosperity of the country was steadily increasing, and Goschen, in introducing his fourth Budget immediately after the Easter recess, was able to inform the House of Commons that the revenue of the year had exceeded the estimate by more than three millions. On examination it appeared that this was due to an entirely unexpected 'rush to alcohol.' There had been, he said, a 'universal rush; some have rushed to the beer barrel, others to the spirit bottle, and others to the decanter,' and this was all the more remarkable, since for the past dozen years there had been a steady decline. 'The tipplers,' he thought, might well 'relieve the tea,' and accordingly he took *2d.* per pound off tea, and at the same time greatly reduced the duty on currants. The house duty on houses under £60 a year he reduced in order to lighten the burden of taxation on the class just above the working class, on whom it weighed heavily. Increased expenditure had been pressed on the Government

by the House of Commons for the erection of barracks and to assist Volunteer equipment, for which purposes £400,000 was now provided. He still further diminished the revenue by remitting the duty on gold and silver plate, and making provision against the loss caused by reducing the postage to India and to the Colonies, and the expense of withdrawing light gold coinage from circulation.

These changes disposed of the surplus. But his plans did not rest there; for Goschen proposed a scheme, in combination with a Local Taxation Bill brought in by Mr. Ritchie, for devoting a threepenny tax per barrel on beer, and an additional sixpence a gallon on home and foreign spirits, to provide a fund to enable local authorities to buy up a large proportion of the licences under which the great drink bill of the year had grown up. He was now sanguine enough to hope that both licensed victuallers and temperance men would combine in support of a measure conducive to ends which they both professed to desire. The reception given to his speech was a very cordial one, and the discussion that ensued was encouraging, as has happened often enough at first with measures which before many weeks have elapsed have come to be regarded with the utmost hostility.

On the night of April 17, members left the House of Commons congratulating themselves on a large surplus and the prospect of a very popular Budget. The following day a debate and division took place on bimetallism, a subject which had given rise to much divergence of opinion, especially, perhaps, amongst Conservatives. Amongst men of high political standing Mr. Arthur Balfour was almost alone in the bimetallist lobby. Goschen, without committing himself either for or against the principle or practicability of bimetallism, advised the House, in the existing

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uncertain condition of the public mind, not to take a step which might have most disturbing consequences. Mr. W. H. Smith was an uncompromising monometallist, and the views which he held were shared by the generality of the House of Commons. He had stated them more than two years before in a letter to Goschen (January 5, 1888), which deserves publication.

'Monte Carlo,
'*January 5th*, 1888.

'MY DEAR GOSCHEN,

'. . . As to the Report on the Silver Commission, what line do you intend to take on it? You will be challenged upon it I imagine as soon as the House meets. I have brought the report out, and I intend to read it carefully; but I do not think I could bring myself round to belief in Bimetallism in any disguise, and I should be inclined to say even to the Chancellor of the Exchequer—with great humility—that any one who really shook the foundations on which our great financial and commercial transactions rest would incur great responsibility.

'Giffen has sent me his paper on the changes in prices and I have written to him adhering to the view I have expressed before, that gold as gold does not possess any greater purchasing power by reason of its alleged scarcity, and that the fall in values is due to economic changes and advances, and to the abundance of money—the equivalent of gold, which by extended banking facilities has stimulated production all over the world. I am afraid you won't entirely agree with me in this; but I think I am right, and it is important we should not make mistake as to the causes in operation for the great changes which have been brought about in the last ten years.

'Mr. J. P. Morgan, the American banker, is here and he has given me a paper with the report of the U.S. Secretary to the Treasury made to Congress last month. You were

talking to me of the danger you apprehended from the "lock up" of specie as the result of the U.S. Tariff. Mr. Fairchild evidently shares your alarm, with a surplus on the year of 22 millions sterling! Notwithstanding that 16 millions are paid away in pensions. It is a very serious matter for the United States and the business world. . . .

'Yours very sincerely,

'W. H. SMITH.'

Mr. Arthur Balfour's Land Purchase Bill was a measure of first-rate political importance, providing a permanent system under which, by means of Government advances, tenants were to be enabled to purchase the freehold from landlords willing to sell. Its object was such as would have rejoiced the hearts of John Bright and John Stuart Mill—of the Liberals and Radicals of ante-Home Rule days. Mr. Gladstone spoke cautiously on the first reading, in following Mr. Balfour on March 24, and the vigorous opposition with which the Bill was met on the second reading (April 21) was due evidently to the hostility of Mr. Parnell much more than to that of the Liberal leader. Indeed, it was said that the former had taken his line without any consultation at all with Mr. Gladstone, whose own speech seemed to show that Mr. Parnell's line was little to his taste. Goschen, in his usual part of following Mr. Gladstone, answered him successfully on every point. The division was on Party lines and showed almost the normal majority of eighty for the Government; but to those who weigh votes as well as count them, it was significant that Sir Edward Grey and Mr. Haldane followed Mr. Arthur Balfour into the lobby against the two leaders of the Liberal and Home Rule Alliance.

By the middle of May the high hopes formed by Unionists of the prospects of the Session began to fade.

Mr. Ritchie's Bill to allot to the county councils the sum realised by the beer and spirit duties, for the purpose of buying up licences, encountered desperate opposition. The project was to tax 'the trade' for the purpose of greatly diminishing the number of public-houses. This, said the extreme temperance men, was to create a vested interest in the holder of a licence beyond the year for which it was granted. Goschen's hope had been to unite in favour of practical reform the moderate men in 'the trade' and the moderate men in the party of temperance. The former would appreciate the fair dealing awarded to them, the latter would welcome the very large reduction to be effected in the number of public-houses. As a matter of fact, 'the trade' did not like being taxed, and the temperance men were in arms against the proposal to give, under any circumstances, and even at the expense of 'the trade,' a penny of compensation for the withdrawal of a licence. A storm of much violence arose, which for a time endangered the existence of the Government. A great temperance demonstration, led by Sir Wilfrid Lawson, in Hyde Park, was followed by hostile meetings all over the country. Majorities in the House of Commons had fallen, both on the Budget and Local Taxation Bills, and popular denunciation loud and strong fell, of course, chiefly upon the authors of the two measures—Mr. Goschen and Mr. Ritchie. On Ascot Cup Day (June 19), early in the afternoon, a surprise division was sprung upon the first clause of the latter Bill, and the Government, in a House of 450 members, achieved a majority of only four votes. A crisis had been reached. What was to be done?

During the last month consultations had been frequent between the Conservative chiefs and their followers. Lord Hartington, whose great position in the country had just

been emphasised afresh at a gigantic banquet given to him at the Crystal Palace, had on several occasions summoned Liberal Unionist members to consider the seriousness of the position. Amongst them were several strong temperance men, and the storm that had arisen seemed likely to portend disaster to several Liberal Unionist seats. In the meantime, it was clear that in that Session the Government could not carry its measures. Should, then, there be an autumn Session? or should the plan, favoured at that time by Conservative leaders but disliked by many of their followers, be adopted, of carrying on unfinished Bills from one Session to another? A sudden summons from Lord Hartington—on June 24—brought the Liberal Unionist Committee together to learn that the Government (which had already shown itself willing to go far in the direction of compromise) would make no further modification in their Local Taxation Bill, that Mr. Goschen and Mr. Ritchie would resign sooner than drop the 'compensation clauses,' and that it was more than doubtful whether Lord Salisbury would accept their resignations. Mr. Smith was thinking of inviting Liberal Unionists as well as Conservatives to a great meeting at the Foreign Office. Mr. Chamberlain was strongly opposed to any joint meeting, and the project was given up. Later in the same day a ruling of the Speaker, in reply to a question of Mr. Healy, appeared at the moment to be another heavy blow to the Government, for it rendered it impossible for them to proceed with the Local Taxation Bill according to their modified plan of leaving unappropriated the so-called 'compensation fund.' Goschen argued against the Speaker's view in vain, and Mr. Smith's immediate motion to postpone the Bill was naturally welcomed as a veritable triumph for the Opposition.

Two days later Mr. Smith announced that the Speaker's ruling compelled the Government to withdraw the licensing clauses. A victory undoubtedly for their opponents; but, nevertheless, recognised by Unionists as a blessing in disguise, relieving the Government, as it did, from a position of imminent danger. The further progress of that Bill was easy, and Parliament was thenceforth able to give its attention to the other great measures that were before it. Goschen had felt this trying time keenly, and the lack of determination amongst supporters of the Government to back it in days of stress had greatly disappointed him. Parliament rose on August 18. He 'washed up at the Treasury,' to use his own favourite expression, and in a few days was off with Mrs. Goschen and the children, who proved excellent travellers, to enjoy a well-earned three weeks' holiday on the Continent. Munich, Salzburg, Innsbruck, thence to Bregenz by the beautiful Arlberg railway, 'almost like one of the passes into Italy,' Lake of Constance, etc. 'Lionised Strasburg,' and so by Brussels and Calais home again to Seacox.

At home Goschen was happy in finding at the moment little Treasury work awaiting him, and few private letters to answer. He was able, therefore, to take up again some old novels.

'Just before starting abroad I read a spell of Dizzy's novels, "Tancred," "Sybil," and "Coningsby." . . . These started me on a historical phase, and I have read Lord John Russell's Life, Palmerston Records, and Melbourne papers, and I have spent one morning on my book. I felt the "licensing week" desperately, never so worried in mind since I was at the Treasury. . . . Have recovered a good deal and am now in fair condition.'

Early in October he notices the prevalence of strikes.

'Strikes in Australia. Strike at Southampton. Strike in the iron trade'; and the 'unrest,' to use a modern word, seems to have spread in unexpected quarters.

DIARY.—'*October* 7–13, 1890.—Generally a lull: much less parliamentary speaking; and very little that is troublesome in newspapers. Civil Service fermenting still. The Excise Officers not satisfied notwithstanding the immense improvement in their salaries and prospects. Customs in a deplorable state. Post Office very mutinous. Sorters not yet satisfied. (The Guards were sent to Bermuda for mutinous behaviour in July and the Police mutiny was a most serious and alarming event.) The Government dock people have now got an inquiry into their pay; the whole relations between the Government and their servants are practically in a state of solution. Should I prepare a memo. thereon? Financially the Revenue is going fairly, but money is very tight in the City. Consols lower than they have been since I have been in office, and the Treasury Bills bear a higher interest—not very comfortable.'

Then comes an ominous entry in the diary:

'Went to the Bank, things queer! Some of the first houses talked about. Argentine, etc., have created immense complications. Uncomfortable feeling generally. Money, the Governors say, not likely to get cheaper. . . .

'*Thursday, October* 16.—Consols down to 94¼. All sorts of rumours about the biggest houses. . . . Very uneasy about Customs management. Oh! for Milner. . . .

'*October* 22.—Gladstone's first speech in Midlothian. Not very damaging. Mitchelstown again! George [his son, the present Lord Goschen, who had been doing work at the Treasury as private secretary to his father] starts for Australia. *October* 25.—To Bank of England about Treasury Bills; nearly 4⅝—very annoying. Lidderdale is wanted to remain Governor and I don't think he is unwilling. I am to hope he may remain, on behalf of the Government.

It is a delicate business. Things have quieted down in the City and the fate of some of the largest houses is no longer discussed. . . .'

Mr. Dawkins (afterwards Sir Clinton Dawkins, K.C.B.) had now taken Mr. Milner's place as Goschen's private secretary, and was helping his chief in the preparation of speeches for Halifax on November 6, and for Dundee a few days later. Between these visits Mr. Goschen returned for a meeting of the Cabinet and other official work, and his diary describes a state of anxiety existing in the inner circle of business in London which can be best appreciated in reading his own words.

'*Sunday, November* 9.—. . . Mysterious letter from Governor of the Bank, hoping I should be in town early to-morrow—very alarming. *Monday, November* 10.—To the Governor of the Bank. Found him in a dreadful state of anxiety. Barings in such danger that unless aid is given, they must stop. —— came in while I was there; almost hysterical. Governor and he both insisted that the situation could only be saved if Government helped.

Liabilities on acceptances . . .	£16,000,000
,, on deposits . . .	4,000,000
	£20,000,000

Assets showed about £12,000,000 more or less available and unrealisable securities, but a surplus behind if time were given. They must be helped by four millions. Bank would give one million, if Government would give the same. Others such as Rothschilds, Glyns, and banks must find the remainder. Picture drawn of the amount of acceptances held by various banks, which would have to stop. All houses would tumble one after the other. All credit gone. I entirely understood their reasoning, but remembering action taken in France when Comptoir d'Escompte was in

difficulties, I said the great houses and banks in London must come together and give the necessary guarantee. This was declared impossible if the Government didn't help. The very summons to help would produce catastrophe. Meanwhile the outside world seemed ignorant of what was impending. From Bank I went to —— hoping to induce them to come forward. . . . I found —— and —— in a blue funk, very much demoralised. —— suggests the Government should say that they would save Barings. Preposterous! —— less wild, but said everything "must go crash unless Government helped." I alone could save the situation. He wouldn't believe in the possibility of a guarantee fund without Government help. He and —— were both quite demoralised. Lidderdale much more of a man and keeping his head, though certainly he pressed me hard. I promised to consult Salisbury and Smith. I must say I felt overwhelmed with responsibility. If I do nothing and the crash comes I should never be forgiven: if I act, and disaster never occurs Parliament would never forgive my having pledged the National credit for saving a private firm. . . . Revelstoke said to be almost in tears. . . . One thing Rothschilds did. They negotiated with the Bank of France to lend the Bank of England £3,000,000 gold against Treasury bills. This was an immense help, as it gave the Bank time, strengthening its resources immensely. The Governor, too, secured another million and a half from Russia. This addition to the resources of the Bank prevented panic at a very critical moment.'

It was Lord Mayor's Day, and just before the banquet Goschen told Lord Salisbury about Barings. 'Is it as bad as that?' I warned him that I might want him. His speech was almost completely taken up with Foreign Affairs, full of dignity, good and solid, and not a single indiscretion.'

Goschen could hardly sleep that night, and next morning

was again in the City, Rothschilds wanting to see him, and others also, all pressing him for Government help. 'Then I saw Smith, and he and I agreed that it was impossible to help the Bank in guaranteeing against loss or doing anything special for Barings.' In the afternoon the Governor of the Bank called upon him and pressed him strongly for help.

'We said we would suspend the Bank Charter; and if necessary we would do all in our power to increase their means. We would use all our influence; but we were quite firm in refusing absolutely help to Barings. My night thoughts had entirely convinced me that we could not carry direct aid in Parliament even if we had wished. How defend a supplemental estimate for a loss of half a million! And would not immediate application put the whole fat in the fire? This last argument convinced the Governor of the Bank, but he feared that nothing would avert catastrophe. Smith and I pressed getting all banks, and all interested in Barings being kept on their legs, to act together, but the Governor still did not see his way. However books must be examined first. Fearfully anxious day. Dined at Admiralty in the evening.'

The result of his conversation with Mr. W. H. Smith, and of his inquiries in the City, were at once communicated to Lord Salisbury.

'*Tuesday.*

'MY DEAR SALISBURY,

'The banks are examining into the situation of the firm and cannot formulate a policy for themselves till they know more. Thus I had nothing special to consult you on to-day. On the whole things look better. The Governor of the Bank seemed to see his way rather more clearly. He had strengthened the position of the Bank by securing, very cleverly and energetically £4,000,000 gold for the Bank.

'I saw Smith and discussed possibilities and im-

possibilities with him. We agreed that any direct interposition on the part of the Government would be impossible under any circumstances. He will explain this to you to-morrow, if you see him. Tremendous pressure may be brought to bear on us as to help, but I think it will be absolutely necessary for *la haute finance* to find its own salvation. The Rothschilds are sure to put the screw on, but it won't do, as Smith will explain. I shall be available all day to-morrow. . . .

'Yours very sincerely,
'G. J. GOSCHEN.'

How, at such a time, could the Chancellor of the Exchequer keep his engagement to speak at Dundee? Yet not to do so might produce a panic! And to Dundee, therefore, he went with a heavy heart, becoming the guest of Lord Camperdown, from whose place and under whose auspices he addressed several important gatherings on the great political questions of the day. At luncheon on the Saturday

'a cypher telegram from Smith told me that the bankers and merchants *had* come forward, and had guaranteed £7,000,000—an immense weight off my mind. [On the day before it had been known for the first time authentically that Barings were in a helpless state.] Measures so rapidly taken that the relief measure was known almost as soon as the difficulty.'

It was during this visit to Lord Camperdown that Goschen heard of his election as Lord Rector of Edinburgh University by 1378 votes over 805 given to Sir Charles Russell, the ex-Attorney-General. On the Monday he left Camperdown, meeting his old friend Mr. A. L. Bruce in Edinburgh, thence by night train to London, breakfasting at the Athenæum, and then on to the Bank to give his congratulations to the Governor on the successful solution

of difficulties which had threatened very great and imminent danger.[1]

That these events had impressed the Chancellor of the Exchequer with the belief that it was desirable to strengthen the position of the Bank of England was made evident by the important speeches he delivered in the year following—to the Leeds Chamber of Commerce at the end of January 1891, at the Mansion House dinner to the Governor and Directors of the Bank of England in May, and to the London Chamber of Commerce in December. He wished, he said at Leeds, to see a larger gold reserve maintained by the Bank of England. The other banks, with their enormous liabilities, and with deposits of £600,000,000 on private accounts, should keep a larger amount of the latter in their own vaults, instead of lending them out 'up to the hilt.' In times of panic they trusted for gold solely to the Bank of England. Goschen suggested that Parliament might help both the Bank of England and the other banks by allowing the issue of £1 and of 10*s*. notes, against bullion to be maintained in their vaults, and thus gold, instead of being hidden away 'in people's waistcoat pockets,' would be found available when most needed. In May he admitted that Londoners preferred the gold sovereign to the £1 note, against which many prejudices existed; but the real question with him was whether the sacrifice of some slight preferences would or would not achieve the national object of strengthening the currency. In December he put forward certain definite currency proposals, with a view to getting the whole matter well ventilated and discussed by commercial men before he brought forward a scheme in Parliament. His plan included the permanent increase of the gold held by

[1] Owing to the kindness of Lord Welby I am enabled to give in Appendix III. an account of proceedings taken in the City to stave off the threatening disaster.

the Bank of England by twenty millions; and this was to be effected by the issue of twenty-five million £1 notes, against four-fifths in gold and one-fifth in Consols, and a power to the Bank, with permission of the Government under certain conditions, to issue notes in times of emergency in fixed proportion to the gold in its vaults, in this way avoiding the necessity of suspending the Bank Charter Act. Goschen's speeches were the subject of much discussion. Amongst commercial men and in business circles wide differences prevailed, and no practical steps could be taken by the Chancellor of the Exchequer to carry them into effect in the few months of office that remained to him.

After the trying weeks in London and in Scotland, of November 1890, it was a relief to Goschen to find himself again at Seacox. '*November* 24.—Shot Ringdens on Saturday.'[1] On Monday, the day before Parliament met, he was in London dining at the official dinner given by Mr. W. H. Smith, the leader of the House of Commons. 'Now commenced a memorable and historic week—the Parnell business. The O'Shea divorce suit had come to an end the week before and was undefended.' There is certainly some truth though much exaggeration in the description given by Mr. Barry O'Brien of the triumphs up to that time of his hero's career.

'Parnell had silenced factions, quelled discussions, put down rivalries, reconciled opposing forces, combined Constitutionalists and Revolutionists, healed the ancient feud between Church and Fenians, and organised and disciplined the most formidable parliamentary army that a statesman ever led—in a word he had united the Irish race all over the world, and placed himself at the head, not merely of a

[1] Diary.

party, but of a nation. He had defeated almost all his enemies in detail. Forster had been crushed, the Pope repulsed, Mr. Gladstone conquered, the *Times* overthrown, the Tories shaken, the Liberals scattered or subdued. No man, no party, no force which had come into conflict with him had escaped unscathed.'

This picture of the harmony of the Irish race 'all over the world' is evidently drawn by one who denies the title of Irishman to all members of that race who are opposed to the policy of Mr. Parnell. Mr. O'Brien appears also, whilst contemplating the rest of the world, to have forgotten Ireland itself, where it was notorious at the time that Parnellite rule could only have been established at the cost of civil war. The real difficulty of the Irish problem is not diminished by pretending that all Irishmen are agreed.

Divorce and exposure had now come. The diary resumes:

'The Gladstonians began by saying that character had nothing to do with politics, but the Dissenters soon made a tremendous fuss. Liberal candidates declared they would not stand if Parnell remained leader. Meantime the Irish Party met, and Ireland declared unanimously that the Irish cause was lost without Parnell. The Roman Catholic Bishops remained silent. The Gladstonian wire-pullers seem to have told Gladstone that the Liberal party would be shivered unless Parnell retired. Accordingly on Tuesday, the very day Parliament met, a letter from Gladstone to Morley was written which practically meant that the party must choose between Parnell and him. He would not lead the Liberal Party unless Parnell retired; but this letter did not reach the ears of the Irish party who met in Committee Room No. 15 and unanimously voted for continuing Parnell's leadership. Justin McCarthy did not show them the letter (explanation very unsatisfactory). When

the House met there was talk of nothing else; and the Address was voted at once. . . . The House up at 10.15 and we had expected a four days' debate! A good many of us dined with Smith in his room; then to the Jeunes by 11. They *were* startled at the news! The Irish were called together again later in the evening. Fearful consternation among them. Parnell showed no signs of going—why?'

These few sentences of the journal serve to revive the recollection of an exciting time. The whole story has been told by Lord Morley and by Mr. Barry O'Brien from the separate standpoints of their two heroes.

'*Wednesday, November* 26.—Dined with the Jeunes—pleasant. Sat between Mrs. Jeune and Mrs. Lyulph Stanley. Will Parnell beat Gladstone or not? Betting rather on Parnell.'

The effect on the progress of business in the House of Commons by these internecine dissensions of the Irish Nationalists was remarkable. On the re-introduction of the Land Purchase Bill, November 27, opposition was led by Mr. Labouchere and Sir Wilfrid Lawson; Mr. Parnell and many of his supporters voted with the Government, whilst Mr. Gladstone, Mr. Morley, and Sir William Harcourt walked out! A week later the Bill passed its second reading by a large majority. The Irish Relief and Distress Bill made equally rapid progress. By December 9 the Government had got through all its work, and Parliament rose for the Christmas recess after a singularly well-spent and businesslike fortnight.

The Christmas holidays Goschen passed at Seacox. 'A queer Christmas; no Maude, no George!'—but the Goschens received a succession of pleasant visitors, the children acted charades, the farm and place claimed attention, arrears of official work had to be cleared off with the

assistance of Dawkins, whilst spare hours were occupied in voracious novel reading and in playing billiards. On January 7, 1891, Goschen was in London, very busy all day at the Customs, dining at the Athenæum and working afterwards with Mr. Jackson over 'the Customs' till 12.30. The following day he dined and spent a pleasant evening with Sir Edward Hamilton, who told him that the Governor of the Bank was under the impression that, if he had needed it, the Government had been ready during his absence in the North to provide a very large balance, which was named. To Goschen this seemed incredible.

'How could I have undertaken to find —— millions without breaking Bank Charter Act at least?'

It was Goschen's fate to have succeeded at the Treasury a Chancellor of the Exchequer whose unique fortune it was never to have introduced a Budget! Lord Randolph we know, from a very interesting chapter in Mr. Winston Churchill's brilliant 'Life' of his father, had far-reaching ideas of his own on national finance, for which he was anxious to get the approval of his colleagues. His sudden resignation had proved, of course, fatal to his schemes, and he made way for a successor who introduced and passed no fewer than six Budgets in succession. In 1891, in introducing his fifth Budget, Goschen was once more able to rejoice in a prosperous year. Again alcohol had greatly exceeded the estimate, and this, combined with an increase of the consumption of tea and tobacco, gave some evidence of increasing wages, and therefore increasing comfort, amongst the working classes. He could show a surplus of £2,000,000, but as usual this was to be eaten up by growing expenditure. This time 'the despoiler of the public purse sitting on the Treasury Bench' was the Minister for

Education, Sir W. Hart Dyke. It had been determined to make education free after September 1, for which an annual sum of £2,000,000 would be required; though for the current year about half that sum would suffice, and the remainder of the surplus had to go to the construction of barracks and the loss on the withdrawal of light gold from circulation. No reduction of taxation under these circumstances was possible.

Goschen's sixth and last Budget, introduced on April 11, 1892, was submitted to a House of Commons before which was looming almost immediate dissolution. It was no time to bring forward financial reforms, and as the tide of commercial and industrial prosperity was no longer flowing, it was impossible to remit taxes. His surplus was sufficient. Another four months would see the national finances under the control of Sir William Harcourt and Mr. Gladstone.

The chief incidents of Goschen's career in Lord Salisbury's second Ministry have been mentioned; but a very inadequate conception of the labours of a Chancellor of the Exchequer can be derived from the contemplation of the work and mental effort necessitated by the preparation of Budgets, the successful carrying through of a great financial operation, such as the conversion of the National Debt, the staving off of impending commercial disaster, and the passing of measures of practical utility like the Savings Bank Acts for 1887 and 1891. Goschen was for years in almost daily correspondence with his colleagues at the head of the great spending departments and with the Prime Minister, always urging economy where possible, and for ever warring against useless expenditure and waste. A Chancellor of the Exchequer who does his duty is bound to maintain a firm front against much urgent pressure.

'I do hope,' wrote Goschen to Lord Salisbury in May 1888, 'that looking to the demands certain to be made on us with regard to the Army and Navy, you will mercifully defend me against as many attacks on the Exchequer as you reasonably can. I don't like to feel that I am opposing *you* in opposing expenditure; but I don't know where we should be landed if the C. of the Ex. did not often stand out. I can assure you I hate this "standing out" as cordially as you would, and think the position of guardian of the public purse a detestable one. My colleagues ought not to aggravate it by too many reproaches, or by thrusting the duty of resistance too exclusively on the Treasury. . . .'

Sometimes difficulties were increased by want of smoothness in the relations of the departments to each other, springing partly out of their jealousy in respect of Treasury favour.

'My dear Goschen,' wrote Mr. W. H. Smith in October 1888, 'more than half the difficulty between the Admiralty and the War Office arises from personal feelings, distrust and jealousy, where there ought to be hearty co-operation, and this is really a serious mischief. The Admiralty say almost in as many words that the War Department want to do the Navy out of stores which they allege were ordered for them; and then the two sets of officers become as pleasant as Germans and Frenchmen are now. They will not act as if they were serving one master for one object. Some means must be found to make them take this view or give place to men who will.'

Goschen recognised, as Gladstone recognised, the constant need of unwearying departmental and Treasury watchfulness to check extravagance and waste. In these days the spending of public money is popular; and in Parliament, though a good deal of lip service is done to the cause of national economy, the pressure on a Government

to spend is great, both on its own and on the Opposition side of the House of Commons. Mr. Gladstone's love for economy amounted almost to a passion. High estimates were to him an abomination. The *cost* of any particular policy would generally be with Gladstone almost the sole element in deciding upon its desirability. His sanguine temperament, his tendency to disbelieve in the coming about of what he earnestly hoped would not happen, had in it something that was dangerous. His official advisers and colleagues were on several occasions quite unable to concur with him in reductions that seemed to them to expose the nation to positive danger. The country was surely rich enough, they thought, not to run risks. Goschen's point of view was a different one from Gladstone's. With all his dislike to loose spending, which meant bad administration, the former was always ready to spend very largely for a great purpose. In his six years at the Exchequer, the Government policy had entailed what then seemed gigantic expenditure, and his financial genius was shown in finding the money without unduly or unjustly burdening the people with fresh taxes, whilst at the same time he never ceased largely to pay off debt.

There was one subject—the forwarding to the Prime Minister requests for recognition of services—as to which Goschen's impatience frequently breaks out. 'How fearfully foolish men are about honours!' he exclaims. 'There is —— who has ruined himself in the eyes of the F.O. by his pretensions.' On another occasion: 'It is maddening! Still honours!' he writes. And again: 'Oh these eternal honours!'

Goschen's financial policy was, as a matter of course, made the subject of much criticism. Sir William Harcourt, who had been Chancellor of the Exchequer in 1886, and

who was to succeed Goschen in the summer of 1892, indulged on Party platforms in a good deal of rather boisterous rhetoric—approaching sometimes the burlesque—at Goschen's expense. Unlike Mr. Gladstone, Harcourt failed to give him credit for his great work in converting the National Debt. Still, in the House of Commons, where the criticisms of Sir William were less rollicking, they deserved consideration, and helped to direct special attention to what he considered Goschen's hankering after new and dangerous ways. In finance it would hardly be wrong to say that Sir William Harcourt was the more Conservative or the more orthodox of the two; that is, if Peel and Gladstone are in these matters to be regarded as 'early fathers' of the true Church. Harcourt and Goschen were both, of course, Free Traders; both were sincerely attached to the cause of national economy, believing that huge expenditure diminished the power and prosperity of the nation. On the difference between the two authorities as to what is called 'widening the basis of taxation,' it deserves to be noticed that so far the differences of view have been matters of theory or aspiration only; for in practice no House of Commons has yet shown any willingness to welcome, or indeed to receive at any price, projects of new taxation. It is a long time since the days of Mr. Lowe and *ex luce lucellum*. There was then in truth much to be said for a match tax. There was twenty years later even more to be said for a 'wheel and van tax,' which sought to make the burden of a tax fall on a class which had been specially benefited by recent legislation. A demonstration of match-makers in 1871, and of carts and vans in the streets of London in 1889, made Members of Parliament tremble for their seats, and brightened the hopes of the Opposition. Both proposals failed almost ignominiously. Except in the

case of Sir Michael Hicks Beach's Corn Tax of 1900 (which was amply justified by the very serious circumstances of the time, and which was introduced with the promise that it was temporary only and would not be retained for purposes of Protection), though there has been much talk there has been nothing practically done in the actual tapping of new sources of revenue. There has been no change in the tendency, so marked in recent years, to rely more and more on direct, and less and less on indirect, taxation. It must be admitted that so far Gladstonian finance still 'holds the field.'

As to the reduction of debt, though there was much controversy, there was less difference of principle between Harcourt and Goschen than might have been supposed from the sharpness of their encounters. The latter, it is true, preferred to regard income tax as an aid and 'a reserve' rather than as the principal mainstay of national finance in ordinary times. He greatly deprecated having, whenever a pinch came, a 'reckless recourse to income tax.' A very high income tax depresses trade and business of all kinds. It was a question of degree how far it was desirable in time of peace to keep up income tax for the more rapid reduction of debt, thereby diminishing 'the reserve' in case of war or other great emergency. Harcourt would have kept up and increased income tax in order more rapidly to reduce debt; but Goschen was able to show, in his Budget speech of 1891, that in the preceding five years, notwithstanding diminutions in certain taxes, a much larger reduction of debt had been accomplished than in the five years preceding. The real burden of the National Debt is, of course, merely the annuity that has to be paid in respect of it, out of annual taxation, and that annuity Goschen's 'conversion' had greatly diminished.

When regarded in that light, the National Debt is evidently an infinitely less formidable burden to us than it was to our ancestors. It is the rapidly growing annual expenditure, rather than the burden of the National Debt, that nowadays justly fills statesmen with alarm. Neither with Goschen nor with Harcourt would the profligate notion have found favour, viz. that the *increase* of debt would be a convenient and economical method of providing for the gigantic expenditure that modern policy or necessity annually forces upon the nation.

Fourteen years after the conversion of the Debt, Goschen, in asking for the issue of £32,000,000 of Consols to meet the expenses of the Boer War, commented on the improving credit of the country. In 1888 the three per cent. Consols were at 101. Two and a half per cent. Consols would therefore have been at 84;

'but now (1902) they were at 97; and this after an exhausting war, and borrowing £159,000,000. The country might congratulate itself on its magnificent resources both military and financial. Certainly there was no reason to despair of the financial position in which we stood.'[1]

[1] Hansard *Debates*, June 1902.

CHAPTER VIII

GOSCHEN'S POSITION IN THE PARTY

IN the last quarter of 1891 the deaths of Mr. W. H. Smith and of Mr. Parnell, and the removal of Lord Hartington to the House of Lords by his father's death, produced a great change in the *personnel* of the House of Commons, and had some bearing on the future of Goschen. In the five years that Parliament had now lasted, Mr. Balfour had been steadily gaining in reputation both in the House of Commons and the country. The firmness of his administration in Ireland, his great power in debate, his personal popularity both with Liberal Unionists and Conservatives, and the fact that his department was the constant object of attack by Irish and English Home Rulers (he was necessarily always in the front of the battle for the maintenance of law and order), had combined to win for him the first place in the now rapidly consolidating party of the Union. Sir Michael Hicks Beach had in former days led the Conservative Party, while Goschen had rendered to it, and to the country, services it was impossible to over-estimate or to ignore. Neither pressed his claims, the former declaring frankly and generously in a speech at Stockton-on-Tees that he recognised in Mr. Balfour a better man than himself to fill the place of Leader of the House of

Commons; the latter with not less generosity and insight fully acknowledging the position which Mr. Balfour had won, expressed the readiness and satisfaction with which he would hail his choice as leader.

In the occasional absence of Mr. Smith it should be remembered that it was Goschen who had led the House of Commons. Had the vacancy in the leadership occurred two or three years earlier it would have been impossible—indeed, almost absurd—to have chosen for Mr. Smith's successor anyone but Goschen, merely on the ground that the latter was ineligible because he was 'not a member of the Carlton!' But at the end of 1891 things had greatly changed. The Conservative Party was no longer tottering, thanks in no small measure to the action and the exertions of Goschen himself. Lord Randolph had ceased to be a danger. In Mr. Balfour the Conservatives possessed ready to their hand the best qualified leader the Party had possessed for forty years. Goschen, moreover, at the moment was suffering, however unjustly, from the effects of the agitation stirred up over the 'licensing clauses.' Three interesting and characteristic letters from Lord Salisbury, Mr. Arthur Balfour and Goschen himself, which tell the story of the selection of the new leader, may here fitly find a place. The first—from Lord Salisbury—is dated October 17, 1891.

'My dear Goschen,

'I owe you some apology for not having written to you earlier with respect to the state of things which has arisen in consequence of Smith's most lamentable death. But I felt I ought not to express any definite opinion, until I had seen Hartington; and he has been at Newmarket till this afternoon. While waiting for this I have received the opinions of many men who know both branches of the

Unionist party, and who look at the matter from various points of view.

'The upshot of the matter is that you possess in our judgment all the qualities required for a House of Commons leader at this juncture, *except one:* that you are not a member of the political party which furnishes much the largest portion of the Unionist phalanx. In opinion you are more Conservative than many of your colleagues: but from motives which I quite understand, and honour, you have not been willing yet to become a member of the Carlton. But we are on the eve of an election, when such questions assume an exaggerated importance. At such a time the reasonable elements in the motives and thoughts of a political party fall into the background, and the human elements come very much to the front. I am convinced from all that reaches me that the Conservatives cannot be brought to work and vote keenly and heartily unless they are following, as leader in the House of Commons, one who is avowedly a member of their party. I have dwelt on my reasons for thinking that Balfour—the only other possible candidate—ought to be the leader; but it has not been because I think you will have any ground to regret such a determination. On the contrary the self-abnegation you have shown will raise your reputation even higher than it is. The possession of that quality has always given singular force to any English statesman who was known to have it. And Balfour's position will be very difficult. . . . I have felt great reluctance to seem for a moment to be insensible to the splendid services you have rendered to the Unionist party, and your unswerving kindness to myself. We owe you very much for the lustre your finance has shed over the career of the Administration; and for the steady and loyal exercise of your influence in keeping the two sections together. This matter has been to me one of great anxiety, for reasons you will well understand. I have discussed it more than once with Smith, who knew that his tenure of official life was precarious—and his latest, though reluctant, view, was that if his place had to be filled

up before the election it must be by an avowed Conservative. Again thanking you for all you have done for us, I hope you will not think I am making a poor return.

'Believe me,
'Very truly,
'SALISBURY.'

On the 19th Goschen replied:

'Nothing could be kinder or more considerate than the terms of your letter, and I am heartily grateful for all you say. I quite understand the reasons that have induced you (shall I say compelled you almost) to arrive at this decision. You will have gathered from what Akers Douglas will have told you, how entirely I acquiesce. Indeed I have felt myself during the last Session, especially when I was acting for Smith, that there was a growing uneasiness on the part of the Conservatives that I should be drifting into the leadership. I have attributed this to more motives than one; but whatever may have been the cause, I have been quite convinced lately that Balfour was the man, who should at a most important moment be able to command the enthusiastic support of all Unionists. I have the greatest confidence in his success and no one will desire it for him more ardently than I do. . . .'

On November 27, 1891, Mr. Balfour wrote:

'DEAR MR. GOSCHEN,

'Three boring speeches a day for five days must be my excuse for not having answered your *most kind* note before. Thank Heaven! there is now a lull, and I can snatch a moment to let you know how great was the pleasure with which I received your good wishes, and how touched I was with your congratulations. There are many reasons why I regret that it has fallen to me to succeed Smith. I don't like leaving Ireland. It is odd; but nevertheless true, that quite apart from the interest attaching to Irish Administration, there have grown up ties with this grim old Castle and this beastly town, which it is painful to sever. I feel as if

I had had a good time which has for ever come to an end; and the thought is not agreeable. My sister is in despair!

'Another matter of regret, as to which I will only say now that I have never before so clearly understood how much more important in the eyes of ordinary men are nominal differences, than real ones: how indifferent they are to substantial agreement if only the catch words used are not identical! No matter—I wish I could think that under any circumstances I could ever hope to render half the services that you have done to the *Conservative* party! But I have no such expectation. . . .

'Yrs. ever,
'ARTHUR JAMES BALFOUR.'

The General Election of July 1892 resulted in a majority for the combined forces of Irish Nationalists and Home Rule Liberals together of forty over Unionists, Conservative and Liberal. Parliament met in August. Mr. Asquith's amendment to the Address of no confidence in Ministers was carried by a majority of 350 against 310, and on Lord Salisbury's resignation Mr. Gladstone became, for the fourth and last time, Prime Minister, with Sir William Harcourt his Chancellor of the Exchequer and Mr. Asquith Secretary of State for the Home Department. The victory, such as it was (in Great Britain it was no victory at all), had been won by Mr. Gladstone to the cry of Home Rule for Ireland. No one but he could have achieved a majority, and now people turned curiously and anxiously to see what he would do with it. Thus the General Election had placed the Home Rule Party in office—it would be absurd to call it in power—for three years. Goschen had more time for home life, for much reading, and for working at his history of the times of his grandfather.

So far as his personal feelings were concerned he lost office with a light heart. In the earlier part of the winter

he was at Berlin, where he dined with the Emperor in the old Schloss, 'finding him very cordial and very interesting,' and willing to talk politics with much freedom. Another day he lunched with his old friend the Empress Frederick, 'still very sad, and very anti-socialistic in politics.' He visited Dresden also; but he was soon home again, spending Christmas as usual at Seacox Heath, whence he wrote to Lady Hayter, at the end of December 1892, of 'the most enviable and enjoyable freedom in which he was revelling.' 'We had a merry Christmas party this year—three pleasures, the presence of Maude and her family, George's[1] return, and the whole family of the Henry Goschens with us also. George's wedding is to take place in a few weeks.' It was now a quarter of a century since Goschen had purchased the old house and property of Seacox Heath near Hawkhurst, situated in a beautiful part of the county of Kent, not many miles from the English Channel. By a strange destiny the place, which had been famous in the seventeenth and early eighteenth century as a smugglers' hold, where the 'free traders' of those days, after landing their goods, conveyed them for safety till they could be further disposed of, had become in the last quarter of the nineteenth century the family home of a Chancellor of the Exchequer. Five years were spent in bringing to completion the new house, in removing the old one, in planting and in roadmaking. In the Christmas season of 1873 a great family gathering and housewarming took place in the new home, the forerunner of many other family gatherings in summer and in winter holidays, which seem, as old letters

[1] George Goschen, Mr. Goschen's eldest son, after having been private secretary to his father, had gone out in the same capacity with Lord Jersey, Governor of New South Wales, in 1890. On his return he married, in 1893, Lady Margaret Evelyn Gathorne-Hardy, daughter of the first Earl of Cranbrook, and became member for the East Grinstead division of Sussex in 1895. Succeeded his father as second Viscount Goschen in 1908.

lie before one, to mark like milestones the gradual progress from youth towards old age of a singularly happy life.

'Thanks for your kind congratulations,' writes Goschen to Lady Hayter (1893) a year later than the letter last quoted, 'on "the new George," for "George" it is to be. . . . George is a very fatherly father taking a great deal of notice and playing the part admirably—better I expect than most young men. . . . Maude's two children are here, so Grandfatherdom reigns supreme. . . . As to books, I have been immersed in my grandfather's time too. . . . It is very difficult to know what to give the public. One fears the criticism you make on Lowell—publishing letters on a subject which is strange to the readers, so that they do not care for the subject.'

Goschen always took the keenest interest in the amusements and games of his juniors. He was never himself a sportsman, but no one delighted more than he did in following as a spectator every incident, almost every ball, in a cricket match, or in accompanying the guns and watching the sport when his friends were shooting the Seacox coverts. At the request of Mr. W. G. Grace he became an honorary member of the Marylebone Cricket Club, and many were the hours he spent in the pavilion at Lords devoting the closest attention to the play. He delighted, too, not less in the indoor recreations of his country home—the dances, the charades, the billiards, etc. He was all his life a hard worker; but no one ever enjoyed a holiday more, or threw himself with greater zest, when opportunity offered, into the enjoyment of his brief leisure hours.

The years pass on, but to a great extent the spirit of youth remains. After he finally retired from official life, he writes (August 1902) to Lady Hayter:

'I find my days too short! People say to me how can you get through your time? I always have so much to

do that I cannot get through it all; not always interesting or enjoyable things, but still things which I wish to do. There are so many books that interest me, even if they are not good. The Georges and other relations are with me. . . . Seventy-one! I analyse myself rather too much, and know exactly in what respects I am strong, and in which there are some signs of age, but I ought really to be content in these respects.'

On December 23 the same year (1902):

'I must send you a few thoughts on Christmas day—just a whiff of remembrance. What limitless memories cluster round it when one is 71½! (This is not speaking of old age. It is only recalling an infinite number of years.) How everything is changed! Of the elder party Mrs. Vaughan [his sister] and I alone are here. Brothers and sisters, and innumerable "in laws," as we call them, all have their own houses, their own gatherings; so I live in the next two generations. The Georges, the Willies, and the Roches are here, and nine grandchildren (all nice children I am glad to say). . . . I am glad to say I have quite finished my book, which Murray does not wish to come out in the middle of the Christmas season, as to which I am inclined to think him wrong. . . . Shall I embark on another book? Who knows? I have my ideas. . . .'

When, in the midst of the Protectionist agitation, he did publish a new book—the 'Economic Essays'—in 1905, he sent it to Lady Hayter with the advice to look at the address on the 'Depression' and Prospects of Trade' delivered in Manchester twenty years before. 'You will find that all the questions of the export to colonies, the competition of foreign countries are worked out, just as it is worked out in the present controversy. I was a "Missionary of Empire"; but a Free Trader. . . .'

'Many thanks for your birthday congratulations,' he writes to Lady Hayter three years later 'Seventy-four!

But I have considered myself seventy-four for some time past. I cannot class myself amongst the "evergreens"! There is an autumn tint upon me, but not quite leafless winter yet.'

And in November[1] following:

'George's speech is a very good one [in the House of Commons on the fiscal question]. What a situation; and Austen Chamberlain says no crisis! but of course there is a crisis; and now Rosebery!! What a man! Such a card to give your opponents to play! Am looking over old letters. Publisher says my new book is going very well. I wonder that in these days anyone should care to give 15s. for it. It seems to me too dear.'

But we have been anticipating and must return to Goschen's public life. When the Session of 1893 opened the Queen's Speech intimated that a Home Rule Bill would be again introduced. Seven years had passed since the rejection of Mr. Gladstone's previous Bill, and during all that time Mr. Gladstone and his colleagues had sedulously endeavoured to keep the country in the dark as to the nature of the measure which, if he obtained a majority, would be substituted for the discredited Bill of 1886. Home Rule was 'a cry'—a phrase susceptible of very different interpretation by different people. It was no more. This may have been good electioneering policy if it was sufficient to look no farther forward than the winning of a majority at the ballot boxes, and the consequent turning out of office of Lord Salisbury. It was easy enough to shout for Home Rule, and to vote for Home Rule, whilst 'Home Rule' remained unexplained. But that happy state of things could continue no longer. The time had come when Mr. Gladstone must show his hand,

[1] November 30, 1905.

and lay on the table of the House of Commons in black and white his proposals for the future government of the United Kingdom. From the moment that he did so the strength of his Administration was at an end. For the second time a Home Rule Bill was to prove fatal to a Home Rule Government. Whether the measure was to founder in the House of Commons, or to be rejected by the House of Lords, might for a time be a question; but that it would become law, or that the country really wished it to become law, very few people believed.

By the Home Rule Bill of 1886 Ireland was to lose the whole of its representation in the Imperial Parliament. By the Home Rule Bill of 1893 it was proposed to do that which on the earlier occasion Mr. Gladstone had declared to be impossible, viz. to keep Irish members to the number of eighty at Westminster, whilst refusing them the right of voting on questions exclusively British. It is a majority of the House of Commons that chooses, controls, dismisses the Executive Government of the kingdom. Legislation is not the sole function of the House of Commons. How then was the 'Queen's Government to be carried on' from day to day if the composition of the House were always varying? It remains a mystery that a statesman like Mr. Gladstone should have seriously proposed this 'in and out' scheme, as it was called. That proposal was, of course, torn to shreds in the House of Commons, and had to be abandoned. But surely it can have been nothing less than sheer despair that ultimately drove the House to the conclusion that the eighty Irish members should be retained at Westminster for all purposes! For the Bill, as it went to the House of Lords, after providing that with the Irish Government, or with Irish legislation, or with Irish affairs, Great Britain should not interfere, actually placed British affairs, including choice and control of the Executive

Government of Great Britain, at the mercy of the representatives of Ireland, who were in no way responsible to the British electorate!

The main objection of principle to the Home Rule Bill of 1893 was in truth the same as that which was fatal to the Bill of 1886. It is unnecessary to recount the parliamentary struggle in the later year. Unionists held, and hold, the principle that was common to responsible statesmen of both Parties, Liberal and Conservative, before Mr. Gladstone allied himself with Mr. Parnell. They held in 1886 and in 1893, as they hold to-day, that within the United Kingdom there is not room for more than one nation, and that to vest any part of that kingdom, whether England, Scotland or Ireland, with the political attributes of nationhood would be to take a step backward in direct antagonism to all the tendencies of modern times, which here and elsewhere make against 'particularism' and in favour of truer and more intimate national union. Nevertheless, foolish and utterly impracticable as the whole project was, the country had little reason to regret that in 1893 the Bill was read a second time, and that its clauses had therefore to be considered in detail. Never, probably, was any measure, any policy, turned so completely inside out by parliamentary discussion. The whole scheme was literally torn to pieces in debate. Long before it left the House of Commons, it must surely have been felt by its own authors, for it was perceived by almost everyone else, that it *could* not become law. Liberal members might vote for it as good Party men. They might think it afforded a good opportunity for a fight with the House of Lords. They might think that, as they were pledged to Home Rule, without knowing what it was, they were bound to vote for any measure, in bulk and in detail, to which Mr. Gladstone affixed that label. But that the greater part of the majority who supported the third

reading believed that the measure was a wise and practical one, and was destined to establish a new system of government in the British Islands, and that they were sincerely anxious that it should become law, it is permissible to doubt.

A lengthy debate on the first reading, twelve nights more on the second reading of the Bill, and then a majority of forty-one for the Government. This was the high-water mark of Home Rule achievement in a struggle that has lasted for a quarter of a century. Two of the most prominent figures of the struggle of 1886 were absent from the House of Commons in 1893. Mr. Parnell—'the power behind the Throne' in the case of Mr. Gladstone's first Bill—and Lord Hartington, who had led the opposition to it, were both gone. Mr. Gladstone had found in Mr. Asquith an able and vigorous advocate, and one well qualified by his skill in fence of words to resist the assaults of Mr. Balfour, Mr. Goschen, Mr. Chamberlain and Sir Henry James. Mr. Balfour proved himself very powerful in debate, and a skilful Leader of the Opposition, whilst Mr. Chamberlain's trenchant speeches carried dismay into the Home Rule ranks, and rallied alike Conservative and Liberal Unionist throughout the country to the defence of the Union. For, as in 1886, the conflict raged in the country not less than in the House of Commons. Both Goschen and Lord Hartington, now become the Duke of Devonshire, at demonstrations and meetings, were as active as seven years before; and until dissolution came in 1895, Liberal Unionists and Conservatives never ceased in their efforts to show to the country what the Home Rule Bill meant, and to urge the upholding of the national unity. Liberal Unionism and Conservatism were drawing closer together as it became ever more certain that on their continued alliance depended the national solidarity of the United Kingdom. There was no fear now that Mr. Chamberlain

would be tempted by his former Radical friends to occupy any halfway house to Home Rule. The General Election of 1892 had made it once more abundantly clear that Gladstone's Home Rule was no mere extension of local government, and Mr. Chamberlain was always the first of fighters for national unity.

Lord Salisbury's resignation and the changes of *personnel* in the House of Commons had their effect on Goschen's position. In January 1893, before the new Parliament met for business, Goschen had been consulting the Duke of Devonshire as to formally joining the Conservative Party, and the Duke on his side had been discussing with his Liberal Unionist friends as to the course which in that matter Goschen would probably take.

'If I had remained in the House of Commons,' wrote the Duke from Chatsworth (January 10, 1893), 'I should very much have desired that you should have remained with me; but I feel that Chamberlain's leadership makes a difference, and I can quite understand that you will be more at home in their counsels than in ours. To tell the absolute truth, in confidence, I think that Chamberlain, though his tone was perfectly friendly towards you, will be more at ease when he knows of your decision. Both Chamberlain and H. James are in high spirits and are full of fight. The animosity of the former against the Government is something quite remarkable.'

Accordingly, a few days later, Goschen wrote to Lord Salisbury that he had definitely decided to join the Carlton at once.

'It is necessary clearly to define my position, now that there is no official tie, such as bound one who was counted as a Liberal Unionist to a Conservative Cabinet, and I need not say that that definition would take the form of my continuing to act with my late colleagues. Will you propose me for the Carlton? I am asking Balfour to second my

nomination. . . . I am anxious to have the thing settled by the time Parliament meets. . . .'[1]

Another year passed before he removed his name from Brooks's.

On the Home Rule Bill in Committee the Government were unable to maintain even the modest majority they had secured on the second reading. An important amendment of Lord Wolmer's was rejected only by twenty-one. On the theory that the Dublin Parliament was entirely subordinate, it ought surely to be forbidden to pass resolutions or carry addresses upon matters outside the scope of its limited functions. Mr. Gladstone's reason for rejecting the amendment was conclusive. Given a national Parliament in Dublin, how could it be prevented from carrying any resolutions that it liked? But the answer was not less fatal to the amendment than it was to the whole Bill. To grant, in the name of Irish nationality, a Parliament to Ireland, and then to prevent its speaking on behalf of the Irish nation, was to attempt the impossible, and it was doubtless in order to make this clear that Lord Wolmer's amendment was moved. The famous Ninth Clause, which provided for the retention of Irish members at Westminster, was under discussion for a week, and the Government majority fell to fourteen. Then came closure and guillotine, and the degrading spectacle of something like an affray on the floor of the House of Commons. Ultimately, with a very large part of the measure still undiscussed in Committee, the Home Rule Bill passed (September 1, 1893) its third reading by a majority of thirty-four. Of British representatives a majority of twenty-three had voted against it. The predominant partner was against the dissolution of the partnership. With this amount of authority behind it the Bill was

[1] January 16, 1893.

introduced into the House of Lords, where, on September 8, it was rejected by an immense majority.

A Ministry that believed in its own policy, and found itself unable to carry it into effect, might have been expected to resign or to dissolve—in the old phrase, to stand or fall with their Bill. Mr. Gladstone's Government did neither. The Bill was dead, and so far as public manifestation went it appeared that few people mourned it either in England or Ireland. Unionist statesmen, however, fully recognised that though the battle for the moment was won, another General Election must take place before Mr. Gladstone's disruptive policy was effectually defeated. Consequently, in the autumn and winter of 1893 there was no relaxation of Unionist efforts. Goschen in Edinburgh had a splendid reception from a most enthusiastic audience in the Music Hall, following and answering, as he always rejoiced in doing, a speech of the Prime Minister's.

Mr. Gladstone seemed to have lost all real interest in political questions other than Home Rule. Everything else he considered with reference merely to its effect in promoting or retarding that policy which monopolised his whole soul. And yet about Home Rule itself the British public cared little. Goschen, who with Mrs. Goschen had been staying with Lord and Lady Londonderry at Wynyard, in a great speech in the theatre at Hartlepool in October, made this the basis of his attack on the conduct of the Opposition, and protested that the Union would have to stand or fall on its own merits. It would never succumb, he declared, to a combination gathered together by reckless appeals to every dissatisfied interest and class.

'We have held the fort against terror, against boredom, against bluster for seven years and more; we have stood in the breach and the Unionist cause is as strong as ever at this moment—aye stronger! We do not intend that the

Citadel is to be stormed by by-paths. We do not intend to allow it to be undermined by subterranean operations.'

An autumn session followed. 'Employers Liability Parish Council Bills, a debate on the navy in the middle. Gladstone made a detestable speech in reply to a very temperate one by Lord George Hamilton. . . . Balfour has been doing extraordinarily well as a debater: always interesting, original, daring. He has improved his position very much with the *whole* House. I think the Radicals admire him very much. (Diary.)'

The shadow of coming defeat hung over the Ministry during the short and unhappy remainder of its career. In March 1894 Lord Rosebery, who had described himself, when supporting in the previous September Mr. Gladstone's Bill in the House of Lords, 'as a witness, but not an enthusiastic witness, in favour of Home Rule,' succeeded to the Premiership. The weary policy of 'filling up the cup' (as it was called) of the iniquities of the House of Lords, by sending to that Chamber measures which it might be expected to reject, failed to stir popular enthusiasm against the Upper House, and when, in June 1895, the Government fell on a trumpery and almost accidental division on the Army Estimates, the General Election which followed gave a great victory to the cause of the Union.

On Lord Rosebery's resignation the Queen had sent for Lord Salisbury, who became for the third time Prime Minister. And under him Liberal Unionists and Conservatives for the first time coalesced. Mr. Balfour, as before, became First Lord of the Treasury, with the lead of the House of Commons. The Duke of Devonshire, Mr. Chamberlain and Sir Henry James entered the Cabinet. Sir Michael Hicks Beach went to the Exchequer, whilst Mr. Goschen returned to the post he had filled so well twenty years before—that of First Lord of the Admiralty.

CHAPTER IX

AGAIN AT THE ADMIRALTY

LORD ROSEBERY'S Government had been beaten in the House of Commons on the Friday evening (June 21, 1895). During the close and sultry Sunday following, a day of the week in London in certain circles largely sacred to political gossip, 'the crisis' was, of course, the sole topic of conversation in the clubs, at luncheon-parties, and at teas. Yet some, perhaps, who recall that day may remember more distinctly than the eager talk of the hour, the strange sensation with which they heard, breaking in upon it, and sounding loud over Hyde Park, the Muezzin's call to prayer —that cry of the Mahometan priest from the minaret so familiar to Englishmen who have travelled in the East, so new to the ears of the dwellers in Park Lane.[1] By seven o'clock it was generally known that the weakest Government of modern times was at an end, and that for the third time Lord Salisbury was Queen Victoria's Prime Minister. It was no surprise to the public that he at once called to his counsels the Liberal Unionist leaders, or to hear that they had made up their minds to accept the responsibility of office.

Ten years before—in June 1885—it would indeed have seemed impossible to Liberals and Conservatives alike that

[1] From the garden of Dorchester House, where the Shahzada and his attendant priest were visitors.

Lord Salisbury and Lord Hartington, Mr. Goschen and Mr. Chamberlain, Sir Michael Hicks Beach and Sir Henry James, should be members of one Cabinet. In phrases that for the time had 'caught on' Goschen had declared his distrust of Lord Salisbury, Lord Salisbury his opinion of Mr. Chamberlain, Mr. Chamberlain his opinion of Lord Salisbury. Sir Michael Hicks Beach had always been a strong Party Tory, Sir Henry James a strong Party Liberal. Of the half-dozen, probably Lord Hartington, now Duke of Devonshire, had changed least in his outlook either upon things or men. Throughout life he had been and remained, by temperament, a moderate Liberal, and though he had been opposed to the policy at one time of Lord Salisbury, at another time of Mr. Chamberlain, he had never thought either of them quite so wicked or so dangerous as each of these two statesmen had seemed to the other. Much was, of course, said by Opposition speakers of the supposed dislike of England to coalitions; but, nevertheless, it was generally felt that the Liberal Unionists, as a power in Parliament and in the country, were now bound to share with Conservatives full responsibility for the national policy which they supported. That their leader was not greedy, or indeed anxious for office, he had already shown. The coalition had come about naturally and inevitably. Men had been drawn together by their sense of the extreme importance of certain great political principles. Minor matters of difference it was right and wise not to insist upon. The alliance between Lord Salisbury and Lord Hartington—most honourable to both—begun at the Opera House in 1886, became in 1895 a combination and a junction of forces which, so long as Home Rule remained the great issue between political Parties, secured the maintenance of the Union, with the approval of the great mass of the

people, whilst at the same time it prevented recourse to the reactionary policy still in favour with a section of the old Tory Party.

Goschen's return to his old post at the Admiralty was greatly to his taste. He had borne long enough the burden of the Exchequer—that office which must ever weigh heavily on a statesman determined to master his work and do his often very thankless duty. In the navy great was the rejoicing when it became known that Goschen was once more to have charge of 'the Service.'

'In common with all my brother officers,' writes Admiral Sir William Houston Stewart,[1] 'I rejoice that you have accepted the office of First Lord. . . . Your naval council is composed of some of the best naval officers in the world; and in *you* our Service has the fullest confidence, knowing that they will have over them an able and wise, a prudent and just administrator.'

During the eventful five years which were to follow, though there was no naval war, very much was to depend on the power, efficiency and readiness of the fleet. Had it fallen in any of these respects below the high standard which Goschen and his colleagues were determined to maintain, it is highly improbable that the record of these years would have been one of peace between Great Britain and the great Powers of the world.

Before the year was out (December 18, 1895) the British public was astounded by the message sent to the American Congress by President Cleveland, couched in language that almost amounted to a threat of war. A long-standing dispute as to the boundary that divided British Guiana from Venezuela was made a pretext for a claim by

[1] June 27, 1895.

the American President, basing himself on a novel interpretation of the Monroe doctrine, to determine, by means of an American Commission, the true boundary of the British empire, and to impose that boundary on Great Britain! In the United States the public was almost as much startled as in England, though the former quickly called to mind that the Presidential *coup* had probably more reference to electioneering than to international considerations; for a Presidential election was at hand, and a display of anti-British violence would mightily affect the Irish-American vote! Still, the effect of the Presidential action on popular feeling on both sides of the Atlantic was most unfortunate. The immediate effect of the message was financial panic in New York. In Wall Street, to use the graphic expression of an American correspondent, 'the air was blue with curses.' Fortunately for the country, Lord Salisbury was Prime Minister and Foreign Minister also, and kept his head.

'You say, and I was glad to hear it,' wrote Goschen to Lord Salisbury (December 19, 1895), 'that the American conflagration will fizzle away. I was afraid it might become very serious. . . . The foolish papers have already begun to give lists of our ships on the North American and Pacific stations.'

But Goschen did not relax his efforts to be ready for every emergency. The dockyards rang with preparations. On the last day of the year he wrote to the Prime Minister as to the naval policy to be pursued in case of war.

'. . . It might be wise to organise a "flying squadron," not directed to any particular point, but kept in hand in the Channel, or at all events not far off, ready for any service. . . . The outlook seems to me very bad in many directions,

not the least in that of Germany who now seems inclined to protect the Boers, as the Americans protect Venezuela.'

The year 1896 opened gloomily enough. The Armenian and Cretan questions had disclosed a want of concert amongst the great Powers of Europe, at least whenever definite action was proposed, and in the autumn months of 1895 Goschen and his naval advisers had been occupied with the necessary movements and possible operations of British squadrons in the Mediterranean, in Turkish waters and in the Further East. Germany in various parts of the world had long been playing an unfriendly part towards England. Russia was almost hostile, so was Turkey. France and Russia were united in the closest bonds of friendship. The Jameson Raid at Christmas into the Transvaal was made the occasion of a sympathetic telegram from the Kaiser to President Kruger, a message seeming to indicate that Germany disregarded a fundamental principle of British policy in South Africa, viz. that the Transvaal Republic, whose internal independence had been recognised, should have no relations with foreign Powers. These appearances were strengthened by the proposal to land German troops at Delagoa Bay, in order to march to Pretoria, on the pretext of protecting German property and interests. Portugal, fortunately, proved staunch in refusing the desired permission to pass through her territory, and the Admiralty quickly ordered up British ships in ample strength to prevent, if need be, any landing of German troops in South Africa. The German Emperor had committed a huge diplomatic blunder. At once the relations between France and Great Britain tended to become less strained. British attention was diverted from Venezuela, and public opinion, even in the United States, rapidly steadying, after the foolish outburst called forth by the President's message,

showed a decidedly friendly spirit in the contemplation of a possible rupture of the Anglo-German peace. Fortunately, neither the message of the Republican President nor the telegram of the divinely appointed Emperor sufficed to break the general peace; for which result the world has mainly to thank the combined moderation and firmness of Lord Salisbury and his colleagues, and the overwhelming power of the British Navy.

'I have been jotting down old memories,' writes at this time Goschen's old Rugby and Oxford friend the Rev. Arthur G. Butler, 'for one who asks for them; and you are present at every turn: from the 1st Papal Aggression Debate, down to, I think, the Freedom of the Press. What a time it was, of hope, of promise, of bold outlook into the Future; of sure confidence also in the improving destiny of men! And now you are shaping the great battle engines of the sea against not unimagined possible dangers, but—dangers that may at any moment break like storm clouds over our heads. What a load of responsibility you Statesmen have to bear! Now one can understand better how Rosebery, Harcourt, Bannerman seemed in haste to fling down the reins of office.'

Goschen was, to tell the truth, little cast down by the thought that Great Britain stood isolated in a world of bitter foes.

'If there be isolation,' he declared, 'it is at all events self-imposed. I say that which I know when I say that we have but to hold up our hand and our isolation will terminate, and we shall receive a welcome into several groups of other Powers.'

In some quarters, he admitted, there had been irritation because we had refused to let ourselves be manœuvred into

certain groups. Our isolation had been freely chosen in order that we should be free to act according to our own view of the circumstances when they arose. It was not the isolation of weakness. It was our deliberate choice to stand out of the log-rolling, the bartering and the scheming that constituted the foreign policy of some other Governments. But if a blow was aimed at our existence he did not for a moment believe we should be without allies.[1]

In this critical state of affairs it was inevitable that the Navy Estimates for 1896–97 should greatly exceed those for which, in the previous year, under the late Government, Lord Spencer had made himself responsible. The increase was no less than £3,122,000, bringing up the total to nearly £22,000,000; whilst the vote for officers and men showed an increase of nearly 5000 in the *personnel* of the navy. Goschen's building programme included five battleships and four first-class cruisers; yet, having regard to the circumstances of the time, he maintained that his were 'sober estimates.' He did not attempt to minimise the extent of the burden to be imposed on the taxpayer. Neither did he present his startling figures in any spirit of boastfulness or exaggeration. Amidst general cheers, he declared:

'that these estimates were not estimates of provocation. They were estimates of self-defence. They were based on the special conditions of this country—conditions different from those of any other country—on our scattered possessions, on the position of our food supply, and of our Colonial Empire. They were based on the security of our own shores. Foreign Countries should not compare these estimates with what they spent on their navies. They must consider comparatively what they spent on their armies; because the squadrons we sent to sea were the *corps d'armée* that we

[1] See speech at Lewes, February 26, 1896.

placed on our frontiers, as they placed *corps d'armée* upon theirs.'[1]

Alliances between Powers hostile to this country were a danger against which Goschen felt bound to take precautions. When, however, he was asked in the House of Commons what he would do if all the nations were to combine against us, he referred to a classical precedent, suggested by his naval private secretary,[2] how to a similar question put in the Athenian assembly, the statesman had made the reply, which was now the reply of Her Majesty's Government, that in that case, which they did not expect, 'they would put their trust in Providence and in a good Admiral.'[3] In varied directions Goschen's energy for the good of the Service was conspicuous—especially his desire to draw the best possible human material in all ranks into the navy. The old training on board the *Britannia* was to be abolished, a new Naval College at Dartmouth established, and an attempt made to get naval cadets from the big schools rather than from 'crammers'; for which purpose the age of entry of cadets was increased by a year.

Goschen, as president for the year 1896, delivered, on October 22, an address to the Birmingham and Midland Institute on 'International Prejudice,' commenting, as well he might, on the persistent misunderstanding by great nations of each other's motives and characters. Travel, business, literature seemed to have little or no effect in breaking down popular national prejudice. Continental statesmen and nations, for instance, gave no credit whatever to our people for the humanitarian feelings which had made them suppress and contend against slavery, or

[1] Hansard *Debates*, March 2, 1896.

[2] Now Admiral the Honble. Sir Hedworth Lambton, K.C.B.

[3] Hansard *Debates*, March 9, 1896.

for the honesty of the popular emotions called forth by the recent brutalities in Armenia. British statesmanship was in their eyes always playing a deep Machiavelian game, and endeavouring, amidst loud professions of virtue, to gain some exclusively British end at the expense of their neighbours. On our side we were sometimes almost as unreasonably suspicious in thinking that the object of the foreign policy of our neighbours was hostility to ourselves.

A few weeks later,[1] at the Guildhall, Lord Salisbury hoped and believed we were getting into quieter waters; but the course of the succeeding years showed that he was over sanguine. In the following spring, in the Further East, the relations between Russia and Great Britain became highly strained. The defeat of China by Japan had afforded an opportunity to Russia and to Germany to extort from the Chinamen territorial concessions which would enormously increase the power of those great military empires on the shores of the Pacific. In utter and almost contemptuous disregard of British protests, and their own assurances, the Russians established themselves at Port Arthur, which was to remain a great naval and military Russian port until, eight or nine years later, the Japanese took it from them by force of arms. The counter move by Lord Salisbury—the British acquisition of Wei-hai-Wei—to a certain extent soothed at the time the ruffled feelings of the British press and people; but hardly served to hide from those who had followed affairs in the Further East the rebuff to British diplomacy, or to counterbalance the immense gain acquired by Russian influence in that part of the world. It would here be out of place to follow in any detail British foreign policy in the years 1895-1900; but to anyone looking back to our foreign relations during that period it is evident

[1] November 9, 1896.

that the anxieties of Goschen, and his determination to increase greatly the naval strength of the country, were amply justified.

The letters that passed during these critical years between Goschen and Lord Salisbury are full of interesting detail connected with the action of the navy in possible eventualities, which fortunately never came to pass. No two statesmen were ever in these matters impelled by a keener common aspiration to employ our mighty power to the best advantage. Yet certain differing tendencies are clearly noticeable between the Minister whose first thought was diplomacy and the Minister with whom effective fighting, should fighting come, was the principal—almost the sole—end at which he was aiming. Goschen never tried to blink these differences. '*You* want ships,' he says,[1] 'in the belief that they will "overawe"; but *I* feel that the main duty of our fleets is to ensure the safety of the Country; and to be prepared to *fight* if necessary.' He did not think that to reduce the fleet in the Mediterranean, in order to make a larger display near Zanzibar, and on the East Coast of Africa, would really strengthen our position, and it would be rash to place implicit confidence on uninterrupted traffic through the Suez Canal. 'Why,' he had asked Lord Salisbury,[2] 'did he want an enormous fleet on the East African coast?' The Germans there had no doubt been 'meddlesome and troublesome,' and they had created 'these bothers' with two small third-class cruisers, with crews of 159 men each!

'A force that would be utterly smashed by one of our largest ships. . . . When you ask me to send a battleship to Zanzibar, I feel much as I believe you would feel if

[1] Goschen to Salisbury, December 23, 1896.
[2] Goschen to Salisbury, December 22, 1896.

being Foreign Minister you were desired by the Prime Minister to send one of your great Ambassadors with all the paraphernalia of a great European Embassy to the Court of some petty African potentate in order to impress him.'

Moreover, a vessel which drew less water would be far more useful on that coast. 'I write to you at length,' he says, 'as to the situation as it strikes *me*, giving you my own view; not those of experts, whose authority, I know, you always reject.'

In another part of Africa the negotiations with the French about Nigeria and the delimitations of the interior of that continent were by no means easy, and the fact that Lord Salisbury felt himself in these matters 'yoked with Chamberlain' caused some uneasiness to people inclined to distrust the diplomatic gifts of the Colonial Secretary. Goschen was evidently afraid lest some of his colleagues should lose all patience and wish to abstain altogether from further negotiation with the French. Accordingly, on September 19, 1897, he wrote to Lord Salisbury urging a Cabinet. He was not surprised, he said, at the irritation 'caused by French antagonism in so many quarters; but the moment in some respects just after the Russian ebullition did not seem very suitable for a quarrel with the French who had lost their heads.' It is clear that Goschen's influence tended to strengthen Lord Salisbury's determination not to take offence till every means of maintaining peaceful relations had been exhausted.

In 1897 and 1898 it was with the utmost difficulty that the great Powers prevented the Cretan question from growing into a cause of general conflict. At one time Greece, at another time Turkey, were exceedingly unwilling to act upon the advice given them by the Powers, and,

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as usual, the latter found it impossible to act with the unanimity necessary to ensure success. Greece wanted annexation, Turkey the maintenance of her dominion. Lord Salisbury's patience, and his persistent pressure, supported on the spot by Admiral Noel and the fleet, who were in constant communication with the First Lord of the Admiralty, ultimately prevailed. Germany and Austria withdrew from the Concert. Turkish troops were withdrawn from Crete, and Turkish dominion was in fact at an end, though Turkish suzerainty remained, whilst the demand of Greece for the annexation of the island was refused. At the end of 1898 the admirals of the four Powers (all that now remained of the Concert of six) were virtually governors of the island, till the appointment of Prince George of Greece in the last days of the year.

Goschen did not hesitate, in bringing forward (March 5, 1897) the Navy Estimates of 1897–98, to increase the heavy demands he had made upon the country the year before. He now asked for a further increase of some 6000 men, bringing up the total to over 100,000. His building programme included four new battleships and four large cruisers. There were contingencies, he said, against which it would be the height of unreason to be unprepared. What the Admiralty were doing 'should satisfy the country, and ought not to give any cause of alarm to any of our possible rivals.' He was, however, closely watching the naval preparations of other Powers, keeping his eye not merely on the present but on the future relative strength of the nation; and when he became aware of the first of the Russian extraordinary programmes for adding to the strength of their fleet, he at once recognised the insufficiency even of the vast sums already voted, and in July asked for and obtained from the House of Commons a supplementary

vote of an additional half million. In his view 'we must be equal in numbers and superior in power to the fleets of any two countries.' This was the standard which Lord George Hamilton when First Lord had put before the country. Sir William Harcourt was not a little scandalised; but, nevertheless, when fairly challenged by Goschen 'to come out into the open' and declare that the country would be safe with smaller naval preparations, he declined to take issue with the Government.

In the succeeding year, 1898–99, Goschen (March 10) demanded more battleships, more armed cruisers, more men for the fleet. The sum asked for reached the unprecedented peace estimates of close upon £24,000,000, whilst the number of men to be voted exceeded 106,000. Well might the First Lord describe his estimates as amounting to a 'colossal' sum. Nevertheless, once more the month of July found him presenting a supplementary building programme, including battleships, cruisers and destroyers, as a reply to the six new ships which Russia was adding to her fleet. Twenty-six years before, as he reminded the House, he had as First Lord brought forward the Naval Estimates of 1872. His requirements then seemed modest indeed compared with his present demands. Then he had asked for 61,000 men and boys, for 124 fighting ships and for nine and a half millions of money. Now he wanted, for 258 ships and, as we have seen, for 106,000 men, an expenditure of £24,000,000. Even as compared with ten years before, the number of ships was almost doubled, and more than double the number of men were required to man them. In the autumn of that year, when the 'Fashoda incident' compelled Lord Salisbury to reassert in plain language, and to act upon, Sir Edward Grey's declaration that the Upper Valley of the Nile was within the sphere of British influence, a passionate

outbreak of anti-British feeling in France for a short time seemed to indicate that war was probable and near. Then, whilst the public was moved and the newspapers were, after their kind, feeding and fanning the excitement, the Admiralty at least was calm. There was no feverishness of preparation. It felt ready for whatever might occur, and the necessary arrangements were made without fuss or confusion. It is not too much to say that at one moment rupture with France seemed to be almost a question of days, if not of hours.

'Admiralty,
'*1st November* 1898.

'MY DEAR SALISBURY,

'At Devonshire's request I send you papers about our Reserves Proclamation. The difference between our case and that of the Army is great. Their important proclamation must be followed by the summoning of Parliament within ten days. No such dates or intervals bind us. There can be no objection that I can see to a dormant proclamation which could at once be issued, saving two days' delay. And two days may mean a great deal. The French seem hampered by no such restrictions, and they must not be allowed to have a day's start if we can help it.

'The newspapers are exaggerating our naval preparations very much, and I dare say our officials at the ports are not always discreet. It is human nature, I suppose, to like to be fussy. However we have now our "Home Squadron" (not what the papers call an "emergency squadron") perfectly ready. . . .

'Yours very sincerely,
'GEORGE J. GOSCHEN.'

The following March, in moving the Navy Estimates for 1899–1900, Goschen pointed the moral with great effect. Great as the naval expenditure had been, it had been made

in time. The nation was ready when the day of trouble came, and the outlay, vast though it was, had proved a veritable saving;[1] for nothing is so expensive and so ineffective as the attempt, in the moment of crisis and danger, to make up for the neglect of preparations which should have been duly thought out and made in advance.

For five years Goschen remained responsible for the navy. On the last occasion (February 26, 1900) on which he moved the estimates—in the middle of the Boer war—he confessed that they amounted to nearly half as much again as those he had presented when he came into office. In 1896 they were eighteen and a half millions. In 1900 he asked for twenty-seven and a half millions, and to this there was to be added two millions under the Naval Works Act—a total expenditure, therefore, in one year of nearly thirty millions. Nevertheless, he claimed that throughout his period of office there had been a steady continuity of naval policy—'the same principle had underlain all the estimates from year to year, and they had not been spasmodic or capricious.'

In spite of much pacific talk, and the meeting of the great Powers in a Peace Conference, the attitude of the nations towards each other had been one of mutual distrust and suspicion. Whilst this was so, it was idle to talk of disarmament or reduction of forces. The language used at the Hague did not remove the absolute necessity for British precautions. The continental Powers were still increasing their military and naval expenditure. This country was not taking the lead in pressing on armaments, and Goschen was able, on behalf of the Government, in 1899 to state in the House of Commons that 'if the other great Naval Powers should be prepared to diminish their programmes of

[1] Hansard *Debates*, March 9, 1899.

shipbuilding, we should be prepared on our side to meet such procedure by modifying ours.' Nothing whatever resulted from this offer. Indeed, in the first six months that followed the Conference more gigantic programmes of building were put forward than ever before by the Governments represented at the Hague.

Goschen's absorption in the work of his own department resulted in his taking less part than formerly in the general debates of the House of Commons. Within the Admiralty his business-like application to official work, and his constant solicitude for the efficiency of every part of the department, were highly appreciated. He felt strongly his own personal responsibility, going sometimes almost too minutely into matters of departmental administration. During the South African war, for instance, his anxiety as to the management of the transport service led him to take into his own hands much of the financial and administrative work of engaging and employing transports—work which might have been left to the members of the Board whose ordinary business it was to supervise that service. In consultation with his advisers his attitude was generally critical, and he often made objections or put questions in order to test the soundness of the advice, rather than to show unwillingness to adopt it. It sometimes happened that those who had worked through his preparations for an announcement on some important subject were taken by surprise by his confident and definite attitude in the House on questions where the previous balancing of the pros and cons had appeared to indicate hesitation and indecision.

It may be that a certain fastidiousness as to form, and a sensitiveness to parliamentary opinion, made Goschen sometimes appear, within the office, to be somewhat hypercritical in the choice of words and phrases. He was rarely

content to use the language of official reports or drafts, and everything of importance was recast to suit his own literary taste. His speeches were prepared with the greatest pains, and, except in debate, were generally written out in full beforehand. This strong feeling of personal responsibility made him distrust frequent recourse to committees, and during his five years at the Admiralty he did not appoint more than two to deal with any subject of importance—Admiral Tracey's Committee on the training of Young Officers (1897) and Admiral Domvile's on Naval Boilers (1900)—even when advised by such able and determined admirals as Sir F. Richards, Sir John Fisher and Sir A. Wilson. Though willing to defer to their judgment on purely naval matters, Goschen's vigorous personality counted for much, and the general direction of naval policy undoubtedly rested in his hands.

Till Lord Salisbury's papers see the light it will be impossible to understand clearly all the details of European foreign policy during the momentous years when Goschen presided over the Admiralty. The Prime Minister, fortunately for this country, was, in everything connected with our foreign relations, a cautious and far-seeing statesman, not likely to be led away into a sensational policy by passing gusts of popular passion, or by some temporary public excitement, fanned into flame by a sensation-loving newspaper press. He knew well that the weight of his words, and that the success of his efforts, aimed always at the maintenance of European peace, and the protection of British interests, depended upon our national power, and the willingness of the nation in case of necessity to employ it. It was entirely unnecessary to vaunt our strength, and it would have been undiplomatic in the highest degree to use language which could possibly be interpreted to convey threats; but for all

that he knew well that if British diplomacy prevailed it would be because it had behind it, in the last resort, a navy of almost unprecedented power. Lord Salisbury could afford to be patient and forbearing, and regardful of the susceptibility of others. He fully recognised that his words when spoken in earnest drew their strength from Goschen's ships. It was this combination of firmness, patience and power which preserved the peace of the world.

In Lord Salisbury's Cabinet, moreover, after the Prime Minister himself, the First Lord of the Admiralty was the statesman best acquainted with foreign affairs, and the relations towards us and *inter se* of the continental nations. It was, therefore, not only by giving strength to his arm, but by bringing assistance to his counsels also, that Goschen was able to render, during a very anxious time, the greatest assistance to his chief's diplomacy. In December 1895 it had looked for a short time as if that monstrous calamity to the world—war between Great Britain and the United States—could hardly be avoided. Early in 1896 the German Emperor's intervention in the affairs of the Transvaal threatened an immediate rupture of relations. In 1897 and 1898 it was the close combination between France and Russia, and the unfriendly conduct of each of these Powers towards Great Britain, that was the chief cause of anxiety. The former nation had for long done its best to hamper and obstruct the work of Great Britain in Egypt, whilst in another part of Africa—Nigeria—difficulties as to the fixing of boundaries and other differences had caused much trouble, and would have led, but for Lord Salisbury's persistent and wise patience, heartily seconded by Goschen, to the breaking off of the Anglo-French negotiations. Early in 1897 Russian proceedings in the Further East, and their acquisition of Port Arthur, had not unnaturally given fresh life to British

anti-Russian feeling, always sensitive to any increase of influence in Asia acquired by that great military empire. In the matter of Port Arthur, British diplomacy had not been successful, and, rightly or wrongly, the patience of the British public had very nearly reached its limit. In 1898 a good deal of dissatisfaction amongst a certain portion of the public was felt with what they considered the excess of forbearance shown by Lord Salisbury. These men began to sigh for a 'spirited Foreign Policy' and to think they had discovered the statesman to restore 'British prestige' in the Secretary of State for the Colonies—Mr. Chamberlain.

The successful advance of the British troops into the Soudan, and the victory of Omdurman, called forth hearty congratulations from the German Emperor, who was showing a remarkably friendly feeling towards this country—a feeling not shared apparently with any enthusiasm by the Kaiser's subjects—and when almost immediately afterwards the 'Fashoda incident' brought us within measurable distance of war with France, and very probably with Russia also, the sympathetic attitude of the German Government was a matter of no little importance. France and Russia were at that time the two Powers against whose united naval forces Goschen and the Admiralty had to prepare. Lord Salisbury's task—that of maintaining European peace—was assuredly no easy one; whilst in South Africa, since the unhappy raid into the Transvaal at the end of 1895, the rumblings of a coming storm were continuous, and added not a little to the anxieties of British statesmen.

Mr. Chamberlain felt keenly the danger of British 'isolation,' and in 1897 had advocated a close alliance with the United States of America. In forcible language he blamed Russia for her dishonest acquisition of Port Arthur, and warned his countrymen of the danger of putting any

faith in the Government of the Czar. 'Who sups with the Devil must have a long spoon,' he declared, to the delight no doubt of his audience at Birmingham, but probably less to the satisfaction of Lord Salisbury, who was immediately asked in the House of Lords if he was hunting about for a European ally, and who had, moreover, no particular wish to exacerbate at that time Russian feelings against ourselves. So again after Fashoda Mr. Chamberlain pointed out in another speech the identity of our interests in the Further East with those of Germany, of the United States, and of Japan, and advocated especially the drawing together in friendly relations of the British and German Empires, sentiments warmly reciprocated by the German Government.

Mr. Chamberlain had always possessed, in a singular degree, the 'ear of the public.' In a single phrase he often gave forcible expression to the prevailing momentary sentiment of the people. But by Statesmen and Ministers who were tactfully carrying on difficult negotiations the speeches of the Colonial Secretary to Liberal Unionist caucuses, or garden-parties at Highbury or elsewhere, were regarded with a certain dread. The Czar probably liked the reference to 'the long spoon' as little as President Kruger relished the comparison of himself to a 'squeezed sponge,' or the burghers of the Transvaal the statement that the government of that Republic was 'a festering sore.' Statesmen of an older school felt a natural distaste for the 'new diplomacy.' They knew how impossible it often is by the sober and well-weighed wording of formal dispatches to remove impressions created in suspicious minds by recklessness of language on the part of public men. The publication of dispatches before they were received by the representatives of those to whom they were addressed, however popular with our own press and people, is not

a practice conducive to the success of difficult pending negotiations, and the mischief would be increased if the passion for speechmaking about everything at all times spread amongst responsible public men. Goschen thought he descried it creeping even into the diplomatic service, where hitherto professional instinct had recognised the strength that belongs to silence. 'What do you think of the new diplomacy?' asks Goschen of the Prime Minister on one occasion; 'How you must wish to muzzle your colleagues!' he says on another, when a Cabinet Minister not officially connected with affairs oversea spoke on delicate topics affecting British policy on the Upper Nile 'in a manner that seemed to run counter to the opinion of a portion of the Cabinet.' 'It was an extraordinary thing,' he writes on a third occasion, when an experienced and respected British ambassador had delivered himself of an uncalled-for oration. 'Will —— and —— follow suit?'—naming other British ambassadors at foreign capitals.

'Will Lascelles give the Berliners and the Emperor a bit of his mind? This is new diplomacy with a vengeance! To my mind, all this—including the utterances of some of our colleagues—makes your task more and more difficult. Apart from this the raw is kept open, and the newspapers rub the salt in.'

The outbreak of the Boer war, of which President Kruger's ultimatum was the immediate cause, united the British Parliament and people, with the exception of the Irish Nationalists, almost as one man. Till that war had been brought to a successful conclusion and peace re-established (and this was not till after Goschen's final retirement from office) nothing else could claim popular attention. The war was the result of mutual distrust and suspicion.

The Raid, and much that had occurred since, had made vast numbers of the South African Dutch believe that the British Government intended to conquer and annex the Transvaal State. This was not true. On the other hand, large numbers of Englishmen believed that the burghers were acting in pursuance of a long-formed desire of driving the British out of South Africa. The Boer ultimatum—the first shot, so to speak—had the same effect in each country. Joubert and others lately the most opposed to Krugerism became the leaders of Kruger's armies; whilst the British Government and people now stood side by side with those Englishmen whose attack on the Transvaal had lately incurred the weighty censures of the Committee of the House of Commons. It was the temper of the two nations, not the merits of the differences between them, that brought about the war. If it was impossible to remove suspicion and distrust, but not otherwise, the war was inevitable. The tone and substance of the British dispatches immediately before the outbreak of war showed a conciliatory spirit and an earnest desire for peace, and nothing could possibly have been less provocative than the speeches made, at the end of September, by the Duke of Devonshire in Aberdeenshire and Mr. Balfour at Dundee. Goschen himself had spoken in May, when presiding at the South African Dinner, and had addressed his very tactful observations to Englishmen and Dutchmen alike in every part of South Africa. Whilst expressing every confidence in his old friend and quondam private secretary Lord Milner, he studiously avoided showing disrespect to President Kruger, and as head of the navy tendered his grateful thanks for the patriotic contribution which the Gordon Sprigg and Schreiner Ministries—whether supported by a majority principally English or a majority principally Dutch—and the Parliament of Cape Colony had

made to the service of the empire. But peace was not to be, and the remainder of Goschen's career at the Admiralty was chiefly employed in rendering direct and indirect assistance to the successful prosecution of the war.

It does not require a naval war to call out the services of the British Navy; and one of Goschen's last appearances as a Minister of the Crown was when he received at the Admiralty (May 7, 1900) the seamen and marines of H.M.S. *Powerful* under Captain the Hon. Hedworth Lambton, formerly his Private Secretary. Some had been fighting at the Modder River, and some with their Captain had greatly contributed to the successful defence of Ladysmith.

'With your comrades in other forces of the Queen, you have saved the country from such a disaster as has never befallen British arms. The defence and relief of Ladysmith will never be forgotten in British story. But you came back with gaps in your ranks, dear shipmates left behind in honoured graves, amongst them Commander Ethelstone and Lieutenant Egerton.'

The Prince of Wales (afterwards Edward VII) associated himself with the First Lord in welcoming the men home, and in testifying to the splendid assistance rendered by the Navy to the Army in the South African War.

The work of the last five years had been a severe tax on Goschen's strength. The death of Mrs. Goschen in the spring of 1898 had been a very heavy blow to him, and though he had had sufficient strength within a few days of her death to move the Navy Estimates in the House of Commons, the strain had been tremendous, and he felt more than ever the increasing weight of years. A General Election was approaching, and he felt that the time had come when he might well seek the repose to which a life of labour had entitled him. 'I am sure,' he writes

to Lord Salisbury,[1] 'you will appreciate my feeling that after thirty-seven years of continuous parliamentary work, I must have had enough and more than enough of the House of Commons.' He did not, therefore, propose to seek re-election, and this of course would necessitate the resignation of his post at the Admiralty. The burden upon him had been very great, and he felt that both for his own sake and that of the department it was desirable that a change should now be made. This was not a sudden feeling. The conviction, he says, 'has been growing on me during the whole of this year.' He went on to say that should the Unionist Party again have a majority a considerable reconstruction of the Ministry was desirable, and would be expected, and he hoped that many, perhaps even all, his colleagues would tender their resignations, thus leaving Lord Salisbury a free hand to arrange his Government in the new Parliament. Lord Salisbury was unwilling to lose his colleague, and tried to dissuade him from resigning till the elections were over. But Goschen, thinking that course would be unfair to his constituency, and otherwise undesirable in itself, persisted in his resolution, and on October 12 he placed his resignation in Lord Salisbury's hands.

The Prime Minister had already informed Mr. Goschen of the Queen's desire to confer on him a peerage if his elevation to the House of Lords met with his approval, and Goschen, after having taken time to consider the matter and talk it over with his family, accepted the honour so graciously tendered to him, thus, as he put it in a letter to Lord Salisbury of October 31,

'retaining opportunities for some fragment of public life. . . . You did not mention my successor,' he continues, 'but Selborne came to me yesterday. I can sincerely say that you could not have appointed anyone whose selection for

[1] August 7, 1900.

OUT OF COMMISSION

PUNCH (A.B.): "Goodbye, Sir; and *Good Luck!* You've done such a lot for the Service, we're all sorry to lose you."

Punch, 3rd October, 1900

the post would have given me so much pleasure. I am sure he will do admirably. He will be liked by the Naval Service, and will work like a horse. I need not say I shall be ready to help him to the best of my ability.'

In December 1900 Goschen was raised to the peerage with the title of Viscount Goschen of Hawkhurst, in the county of Kent, and it was acknowledged on all hands that the honour had been earned, and more than earned, by the great services he had rendered to the State. 'Good-bye, and Good Luck to you, Sir! You have done so much for the service, that we are all sorry to lose you.' The universal feeling in the navy was admirably expressed in *Punch's* excellent cartoon, and Goschen left office with the reputation of the best First Lord of the Admiralty that the navy had known for many a long year. Letters of regret at his resignation came pouring in from naval officers at home and abroad, from friends in and out of Parliament—from those with whom he had been in the habit of crossing swords in the political fray, as well as from those with whom he had stood side by side in the battle.

'I write you a line,' says Sir William Harcourt (October 18, 1900), 'to say how much I regret that you have thought it right to leave the H. of C. Though we have had political encounters my mind more gladly turns back to the days when I stood by your side in the Guildhall more than thirty years ago. Like sailors who have drifted apart I do not forget that we once fought together at the same guns. . . . I wish I could join you in retiring. Your party can with regret afford it. Mine is too short-handed to spare a single man at the ropes.'

Lord Spencer (September 27, 1900) expressed his regret at the retirement of one who had been such a prominent political figure throughout the whole of his recollections.

'The Navy will owe you a debt of gratitude; and I very warmly endorse what you say in your address—that the administration of the Navy should be free from party politics. I humbly tried to enforce and carry out that idea, and you have carried it out throughout your administration of more than five years. . . .'

'Both Westminster and Whitehall,' writes Mr. John Morley (September 26, 1900), 'will suffer an immense loss. But I feel much more the withdrawal of a man who has done so much to keep a lofty standard both of the integrity and the dignity of public life. With much sincerity, my dear Goschen, I venture on this salutation to a friend on one of the marked occasions of life.'

His old Rugby and Oxford friend Arthur Butler, writing early in the following year, when Goschen's acceptance of a peerage was known, has a word of congratulation on

'the new title, and retirement to what Arthur Stanley would have called the most august Assembly in the world. Once I was present at a great debate there in the days of the Crimean War, and still remember Lord Derby's and Lord Ellenborough's eloquence—the latter speaking on the theme of "the terms to be offered to the Russians," which he urged in a splendid voice should be such as an enemy could accept with honour. They may be dull in that august Assembly at times: but they can be really great at other times. I am very glad also that you keep your old name. A Lord —— or Lord —— (*pace tuâ*) need not mind having their old name merged in a new title; but your name is a part of history and should continue.'

And then his old friend goes on *more suo* to look at the matter from the Rugby and Oriel point of view. From the latter standpoint 'it is amusing that you and Lord Cranbrook should be at once neighbours, connexions, and Oriel men. . . .'

CHAPTER X

SEACOX AND OXFORD

AT last free from the strain of office, Goschen contentedly looked forward to a life in which he was to have command over his own time. He did not intend to turn his back altogether upon the political interests which with him had always come first. Indeed he valued his peerage chiefly because it would enable him still to spend some of his activities in political work and to keep in touch with the public life of the nation. But he hoped to live more in the country, to have more time for reading and for literary pursuits, than his busy political career had hitherto allowed him. In the opening of January 1901 he had not yet reached his seventieth birthday. Neither his spirit nor his faculties, so far as could be perceived by his friends, had suffered from the weight of his growing years, and should some great cause arise in which the country should once more have real need of his services, those who knew him best could hardly doubt that 'the veteran' would again be found in the front of the battle.

The passing years had brought great changes to the Goschen family. As we have seen, in February 1898 the death of Mrs. Goschen, after a considerable period of weak health, had been a terrible blow to her husband. In 1889 his eldest daughter, Maude, had married the Hon.

A. C. Burke Roche, and a couple of years after her mother's death another daughter, Alice, had married the Rev. E. Hardcastle. Two younger daughters, however, still remained at home, Beatrice and Fanny, to take care of their father and to help him in secretarial and literary work. Seacox was also frequently the home of his eldest son (now member for the East Grinstead division of Sussex) and his wife, Lady Evelyn Goschen,[1] and of their children. His second son, William Henry Goschen, was also married; and he with his uncles Charles, Alexander and Henry Goschen were partners in the firm of Frühling & Goschen. Lord Goschen's youngest brother, Sir William Edward Goschen, G.C.M.G., had represented his country in many foreign capitals and in more recent years has been British Ambassador in Vienna and Berlin. Between the brothers, the diplomatist and the statesman, over a very long course of years a voluminous correspondence had been maintained. Lord Goschen was rich both in friends and relations; and his retirement from office did not at all indicate that he intended to lead a retired or secluded life, though he did hope to be able to spend the remainder of his days in more closely following up the many interests that appealed to him.

For many years he had been working at his book, 'The Life and Times' of his grandfather, the famous publisher of Leipzig, to which reference was made at the commencement of this Memoir.[2] In 1892 after losing office he had resumed work upon it; but at first 'with laziness' as he noted in his diary, feeling for a time the necessity for complete relaxation. His labours had necessarily been frequently interrupted, but at last the time had come when he could make it his first business, and early in 1903 the book saw

[1] Daughter of the first Earl of Cranbrook.
[2] Vol. i. cap. 1.

THREE GENERATIONS

1897

From a photograph by Elliott and Fry

the light. Letters of appreciation of its merits poured in upon him, many of them from people of literary distinction. The letter that he received from Lord Morley, than whom no man in England is more competent to pronounce an opinion on the literary and general merits of a great biography, deserves to be given in full.

'My dear Goschen,' he writes on February 8, 1903, 'it gave me very lively pleasure to receive your two most handsome volumes, and I am extremely obliged to you. They were a great surprise, for I may now safely confess that I had begun dimly to suspect that you would go on revising and polishing *in sæcula sæculorum*. You see I am an old hand in the authors' trade, and know all the temptations and solicitations that beset it, unless the necessities of larder, cellar, wardrobe, and the rest drive one to resist fastidiousness.

'In one way your book has been a reproach to me, for it carried me away from my own proper work, and I spent a whole long evening over it, when I ought to have been reading my own proofs. I offer you very sincere congratulations. You show yourself the master of a natural style—*extraordinarily* free, open, genial and flowing. I found myself curiously interested in the old gentleman's character and doings—his buoyancy, force, vigour, enthusiasm. You make it all alive and real, and any story that is alive and real must interest. Whether the British public will choose to be interested in anything German in its present mood of idiotic antipathy (why is our public always in that mood towards some nation or another?) Heaven only knows. That is not the fault of the book at any rate. You have filled in the general historic background and atmosphere most admirably. I wish he had not rejected Goethe's little piece, so that we might have had more of that august man. As it is, however, I feel myself in the middle of the life and world of Letters, and an enchanted world it is. Old Dr.

Johnson would have delighted in it all, and have said many things of *Lebensweisheit* about it. He would, I hope, have protested against the words "cantankerous" (vol. ii. 423), "worry" (ii. 75 and elsewhere), "dependable" (i. 270), somewhere, I think, in a footnote. . . . The illustrations interest me immensely, particularly Goethe in the Campagna, and the other of him. By the way, how splendid is Goschen's saying, "The whole man is pure genius."

'As for Gladstone's letters (was Mr. G. pure genius?) I think that I am *complet*, but perhaps you will let me speak to you thereon when we next meet. . . .

'Yours very sincerely,

'JOHN MORLEY.'

'*P.S.*—On reading my letter over again, I think I have not said plainly enough that *I like your book* very much indeed. It is graphic, objective, vivid, cheerful, just as a biography ought to be. Don't get the same adjectives for a biography not yet published, for it will deserve not one of them.'

In the autumn of the same year (1903) Goschen was invited to succeed the late Lord Salisbury as Chancellor of the University of Oxford. It seemed that he would be chosen without opposition, till at the last moment Lord Rosebery allowed himself to be nominated. It very soon appeared that Goschen's election was certain, and Lord Rosebery withdrew from the contest. The letter of the unsuccessful candidate congratulating the new Chancellor on his success was one of the first of very many that Goschen received.

'Pray accept, my dear Goschen,' wrote from Cambridge Dr. Butler, the Master of Trinity and brother of Goschen's life-long friend Mr. Arthur Butler of Oxford, 'my warmest congratulations on this signal and most delightful honour!

My dear Father sat next to Wellington in the theatre when he was installed, and if the truth must be told, was called in by the great soldier to correct certain false quantities, such as Jacŏbus and Carōlus. Arthur took me to the great scene at Lord Derby's Installation which no one who saw it can ever forget. And now hundreds of young men and their wives and sisters will remember through all their lives the homage so soon to be paid to yourself. It makes us all feel young again. . . .'

The election of the Chancellor was followed by an interesting ceremony at Seacox, in which some of his old friends of undergraduate days were able to take part, a ceremony which, both in the Chancellor himself and in the members of the deputation that waited on him, stirred a recollection of former days and friendships. Comparisons between the present and the past forced themselves on the mind, memories which could not but give some touch of sadness even to the triumphant crowning of Goschen's academic career.

'It did go off well,' wrote Arthur Butler to Goschen (November 13, 1903). 'Those I have seen and talked to, felt that it was not only a very interesting historical occasion, but they approved their Chancellor, and they liked the man who lay beneath the Doctor's robes, and who spoke to them with naturalness and sympathy, as well as dignity, and seemed so full of vigour and vitality for the coming years. Even the little nervousness you speak of, which they noticed, had its charm. It was a mark of respect to the old greatness of the University, which coming from a tried statesman and distinguished orator, made them feel, what we are sometimes tempted to forget, that though we are small persons, the body we belong to is great. Oxford, with all its subtle charm of beauty, and its appeals to a noble

side of human nature, is a power in the world. It is not all it should be. It is not always true to its ideal. But it does help to fashion great character and to produce famous men. And Oxford last Wednesday felt itself in sympathy with and proud of its Chancellor. . . .'

On the same day (November 13) Goschen was writing to his old friend and contemporary F. D. Longe, once captain of the Harrow Eleven.

'How few of the old band still survive. Poor old Brodrick,[1] in later years one of my most intimate friends, has passed away and was lying dead in Merton when the Delegacy from Oxford held a Convocation in my house. Bright was here in his doctor's robes, and some other contemporaries, e.g. Merry, the Public Orator. We had a most quaint ceremony. The Delegacy of seventeen, with bull dogs and other attendants, and such Latin speeches. But it was very interesting in its mediaeval pomp and personal associations. It was an emotional scene for me. "*Senectute jam advenienti*". . . .'

With much solemnity and all due ceremonial the University dignitaries had marched, in their robes, round the hall at Seacox, and Dr. Merry, the Public Orator, addressed him in a speech, lately published under the title of 'Oratio habita apud Seacox Heath in hospitio Cancellarii, Georgii Vicecomitis de Hawkhurst, ad officium admissi.'[2]

In the month of June following (1904) Goschen, his train borne by his two grandsons George Goschen and Denis Roche, presided as Chancellor at Convocation in the Sheldonian Theatre.

The Public Orator, after deploring the death of Lord

[1] The Hon. George Brodrick, Warden of Merton.

[2] See Dr. Merry's volume, published in 1909, *Orationes tum Creweianae tum Gratulatoriae*.

Salisbury, the late Chancellor, and recounting his virtues and fame, bids him in the name of the University farewell: 'Cancellario, Senatori, civi incorruptissimo Ave atque Vale dicimus.' And then turning to his successor, he proceeded:

'Neque tamen tanti viri interitus nullam omnino solationem admittit, neque omni ex parte orbi esse et destituti videmur, cum Tu, vir honoratissime, in Universitatem Tuam idem patrocinium et praesidium exercere dignatus sis, quo tam diu frui consuevimus. Singulari te fiducia Universitas Oxoniensis Cancellarium suum excipit, jam dudum multis in rebus spectatum et probatum. Novimus enim qualem Te in curia, qualem in legationibus aliisque in rebus maximi momenti praestiteris, quanta sagacitate administraveris aerarium, classem ordinaveris. Neque tamen tot Te negotia ab humanitatis artiumque ingenuarum studiis subtraxerunt; immo vero quantum Tibi otii res publica concesserit id omne Musis Te amicum et litteris exercitatum fecit. Nec quisquam, ut pro certo habeo, reperiendus qui hujus Academiae utilitatibus melius inservire et veterem ejus famam efficacius possit sustentare. Summa igitur reverentia atque admiratione Te Cancellarium salutamus, eo magis gaudentes quod tam illustris virorum insignium concursus Tecum hodie advenerit, qui, Tui honoris spectatores facti et participes, ordinibus nostris ipsi adscribantur.'

Then the Chancellor, in time-honoured fashion and in the same ancient tongue, brought before the assembled Doctors and Masters of Arts the distinguished men who had come to receive honorary degrees from the University *in jure civili*, *in scientia*, or *in litteris*, as the case might be, touching as regards each of them, in a single terse sentence, some characteristic service or attribute that had made him famous.

Thus, addressing Lord Balfour of Burleigh who had lately resigned office :

'Vir Honestissime, fortis in muneribus reipublicae sustinendis, digne in deponendis, Ego auctoritate mea, et totius Universitatis admitto te ad gradum Doctoris in jure civili honoris causa.'

Lord Tennyson just returned from governing United Australia :

'Vir Honoratissime, poetae praestantissimi fili digne, nuper apud Australias in unam civitatem feliciter colligatas proconsul, Ego, &c.'

Speaker Gully :

'Vir Dignissime, senatus orator sapientissime, qui ipse silentio obstrictus turbam loquacem ad modum in sermone observandum contines, Ego, &c.'

Mr. Asquith :

'Vir Facundissime, concionibus frequens, in rebus publicis exercitatissime, Ego, &c.'

Signor Marconi :

'Vir Clarissime, qui arte mirabili aetheris motus coegisti ut hominum sermonem per terras per maria ferant, Ego, &c.'

Mr. Sargent, R.A. :

'Vir Spectatissime, in arte tua mirabilis, splendide audax, Ego, &c.' :

and so on through a long list of distinguished names.[1]

Oxford was delighted with a Chancellor who had expressed, with regard to the recipients of her honours, her real feeling 'in choice and pointed language with many a dainty phrase.' The Master of Trinity admired and envied,

[1] *Convocation Encænia, June* 22, 1904. Oxford: Horace Hart, M.A., Printer to the University.

from Cambridge (for in the latter University they have no such practice) Goschen's 'superlatives and vocatives, so felicitous, so appropriate.'[1]

The Chancellor of Oxford has, however, a good deal to do besides presiding at great functions and making and hearing Latin complimentary speeches. The work was new to him; but he loved detail and went into the important business of his great office with characteristic energy. Through Goschen's old friend Dr. Bright, Master of University, Mr. Matheson, tutor of New College, where Lord Goschen's younger son had been an undergraduate, was invited to act informally as the Chancellor's private secretary at Oxford. A regular correspondence was maintained between Lord Goschen and Mr. Matheson for the next two years, continuing till within a few days of the former's death. Mr. Matheson was much impressed by the intense interest which the Chancellor took in everything that was going on, and the zest with which he entered into the details of the University ceremonies he attended. With a keenness which was quite youthful 'he showed great shrewdness in estimating persons and appreciating situations, along with a real devotion to the interests of the University and of science and learning.' He was struck again and again by the Chancellor's wish to help good causes, and his desire at the same time to respect tradition and precedent. Goschen certainly possessed one qualification on which many University men set a high value in their Chancellor. He had been engaged in great things before devoting himself to academic interests.

[1] From letters to Goschen from Mr. Arthur Butler.

CHAPTER XI

THE FISCAL QUESTION

THE new century had not been long in bringing its changes. Before it was three weeks old came the lamented death of Queen Victoria. In less than a year and a half afterwards there followed the final retirement from public life of the latest of her Prime Ministers—a heavy loss to his country and his Party. In the middle of July 1902 Lord Salisbury was succeeded, with universal approval, by his nephew Mr. Arthur Balfour, the Leader of the House of Commons. The Boer War, which for nearly three years had almost exclusively occupied the attention of the people, had at last been brought to a triumphant conclusion. The Dutch Republics had become part of the British dominions, and it was now the evident policy of British statesmanship to do what was possible to unite the white races in a common feeling of patriotism towards South Africa and of loyalty to the empire. Mr. Chamberlain's language during his visit to South Africa was conciliatory and hopeful. With the return of peace the public might naturally expect a great reduction of taxation, and on the whole the Party prospects of the Government seemed bright—all the more so from the strained relations that evidently existed amongst Liberals—between the 'Liberal Imperialists,' amongst whom were counted Lord Rosebery, Mr. Asquith, Sir Edward Grey

and Mr. Haldane; and the more radical section of the Party, who preferred to look for guidance to Sir Henry Campbell-Bannerman and Mr. Morley.

On Lord Salisbury's resignation, Sir Michael Hicks Beach, the Chancellor of the Exchequer during a very trying period, determined to follow him into retirement, whilst he entirely and most heartily approved the selection of Mr. Balfour as his uncle's successor in the Premiership. He was himself replaced at the Exchequer by Mr. Ritchie, a Conservative of somewhat Liberal leanings, who, without having shown any very brilliant qualities, had done excellent practical work in the departments over which he had hitherto presided. Sir Michael Hicks Beach, in his last Budget, had revived the old 'registration duty' of a shilling a quarter on imported corn, an almost nominal burden left in existence by Sir Robert Peel, but afterwards repealed by Mr. Lowe and the Gladstone Cabinet of 1868–74. It is usually the imposition of a new tax that brings trouble to the Minister and Party that would impose it. Here the corn duty had been accepted after protest, but without very much ado. Its removal the following year became the subject of an agitation which was to have important consequences. With some classes and interests a corn tax was evidently popular. That alone was a circumstance that had in it a warning. It is hardly healthy—it is not quite natural—that there should be any popular outcry *for* taxes. Enthusiasm for filling the Treasury is not too common; and when taxes, instead of being regarded as a necessary evil, are considered as 'good business' it is only prudent to inquire whether the Treasury is expected to be the sole or the principal beneficiary of the new imposts.

When Mr. Ritchie, on April 23, 1903, after having introduced his first and only Budget, resumed his seat, the outside

world, ignorant of the differences on fiscal subjects that had begun to show themselves within the Cabinet, might well have anticipated a prosperous future both for the Chancellor of the Exchequer and the Unionist Party. To take off fourpence from the income tax and to remit a corn duty producing two and a half millions a year, whilst at the same time the National Debt was being largely reduced, were proposals of a kind unfortunately not often within the power of a British Ministry to make. It was not till May 15 that there were public indications of a coming storm. On that day Mr. Chaplin and the Duke of Rutland headed a deputation, representing farmers and agriculturists, to the Prime Minister and the Chancellor of the Exchequer, urging the retention of the corn tax, and using language of unusual severity towards the Minister by whose courtesy the deputation was received.

On the same day Mr. Chamberlain, the Secretary for the Colonies, made at Birmingham the first of his 'Tariff Reform' speeches, declaring that in order to hold the Empire together it was essential to arrange a preferential tariff with the Colonies and to have our hands free in order to 'retaliate,' by means of customs duties, against foreign nations who imposed duties on their imports from us. He looked forward to the next General Election for a pronouncement in favour of a policy of Colonial Preference, of fiscal retaliation against Protectionist Powers, and of a complete reconsideration of those Free Trade doctrines and practices which for a couple of generations had been the groundwork of our fiscal and commercial system.

Mr. Balfour's reply to Mr. Chaplin was on very different lines. He, of course, at once recognised that the deputation was frankly Protectionist. On that ground it was very natural that it should desire the retention, and even the increase,

of the corn duty, which the Government had determined to abolish. But it was with no Protectionist intentions, he said, that Sir Michael Hicks Beach a year before had imposed the duty. If an import duty on corn was a desirable thing at all, the question of corn should not be considered by itself apart from the taxation of other commodities, since a corn duty involved, to a great extent, class and sectional interests, and stirred up many bitter memories. If the duty was to be revived and to stay it should be accompanied by a reconsideration of the whole of our fiscal system of free imports. As the year proceeded it became quite clear that Mr. Chamberlain was aiming at the complete reversal of the Free Trade system. His own first speeches seemed to show that his mind was chiefly occupied by the importance he attached, rightly or wrongly, to fiscal reform as a means of consolidating the Empire; but it very soon became apparent that the moving spirit actuating his supporters was the spirit of old Protectionism, resting on the belief that the trade, the commerce, the industry of the country, could be saved from ruin only by the expedient of excluding or checking foreign competition. Thus Mr. Chamberlain's speeches became more and more Protectionist, on the old well-worn lines; whilst Mr. Balfour struggled to maintain an open mind, for long allowing his own most ambiguous utterances to be cited with favour both on the Free Trade and the Protectionist side of the fiscal controversy.

On such a question there was no man in the country who could speak with such authority as Goschen. His knowledge of business, his experience at the Exchequer, his habit of carefully weighing the reasons on both sides of every political controversy, and the complete disinterestedness of his position, combined to render his attitude on the

fiscal question a matter of the first importance. In July 1902 he had spoken on the second reading in the House of Lords of Sir Michael Hicks Beach's Budget and the imposition of the shilling corn duty, taking care, however, to bear in mind 'the platonic relations,' as he called them, of that Chamber towards National Finance. That Budget he strongly approved, describing it, in reply to Lord Welby, as 'bold, honest and straightforward.' As for the shilling duty, it was so small, and the causes operating upon prices were so multifarious, that the fiscal movement of price due to the tax would be almost lost in the economic movement of the day. The old registration duty was not really a protective one. It protected nobody. On the other hand, 'it broadened the basis of taxation—one of the most important objects that any financier in these days could strive to attain.' Lord Goschen fully believed the Chancellor of the Exchequer when he denied that this was the beginning of Protection. Whilst he fully believed himself in Free Trade, he was not one of those who accepted it as an imperial dogma which should render men blind to the circumstances surrounding them. Freedom of trade a generation or two ago had, he pointed out, been part of a generally received political ideal. Then there went with it freedom of contract, *laisser faire*, and other things now little regarded by politicians. It was incumbent on Free Trade to examine the facts and existing conditions.

'I believe Free Trade to be absolutely strong. I believe Free Trade will emerge from any difficulties, if it sinks pedantry and abandons phrases, and looks matters *really* in the face.'[1]

If Goschen could have foreseen the controversy in which a year later the country was to be involved, he could not

[1] Hansard, House of Lords Debates.

have described better the spirit and temper of mind in which it was desirable that the plausibilities and fallacies of a revived Protectionism should be met.

It was the object of Mr. Balfour, in 1903 and afterwards, to prevent, so far as he could, the differences of opinion amongst his followers from being discussed on the floor of the House of Commons. Still, it was not within the power of the Prime Minister entirely to stifle discussion upon a subject in which the public was beginning to be deeply interested; and on May 29 Sir Charles Dilke seized upon the occasion of the adjournment of the House of Commons for the Whitsuntide holidays to discuss the recent speeches of Mr. Chamberlain, to ask whether the Secretary of State for the Colonies represented the opinion of the Cabinet of which he was a member, and whether it was intended to reverse the Free Trade system which for half a century had been the unquestioned foundation of British commerce and finance. Mr. Balfour followed, urging his followers and the country to maintain an open mind on those subjects. Whilst the Prime Minister seemed to lean personally towards Mr. Chamberlain's views, he assured the House that nothing would be done in that direction 'in that session, or the next one, or the one after that.' It looked as if Mr. Balfour was keeping it open for his Party in a year or two's time to dissolve or not on the Chamberlain policy, as might then seem advisable. But this kind of thing hardly satisfied the Colonial Secretary, who was himself very much in earnest and who spoke later in the debate. He at once claimed Mr. Balfour as his ally, looked forward to a General Election to support preferential tariffs, to establish import duties on food out of which old-age pensions would be provided, and assured the House that a rise in wages would much more than compensate for any increased cost of living through dearer food. The

speeches of the more independent-minded Conservatives—Lord Hugh Cecil, Mr. Winston Churchill, Sir John Gorst, Mr. Pemberton, and others, then and on other occasions, protesting against the Protectionist policy with which the country was threatened—reflected the opinions of a large number of Unionist Members of Parliament. Already men were beginning to feel that a persistence in the Chamberlain policy might very possibly lead to Party rupture. The note of warning had been sounded.

In the House of Lords there is sometimes greater opportunity than in the House of Commons for obtaining the full debate of important matters, which the Leader of the majority in the latter desires on grounds of Party expediency should be left alone. Goschen, therefore, on June 15, 1903, invited the Peers to consider the recent declarations of members of the Government on the subject of preferential tariffs, and called upon the Leader of the House—the Duke of Devonshire—to speak with his usual frankness, and with as little reticence as had been lately shown by some of his Ministerial colleagues. There was no question of Party loyalty and disloyalty involved; and Free Traders amongst Unionists were as much entitled to hold their opinions as the followers of Mr. Chamberlain to hold theirs. For his own part he was desirous that the discussion should turn on the merits of the proposals, rather than that they should be tried by their supposed conformity with old doctrines and authorities. But if he as a Free Trader was

'not to appeal to infallible popes, his opponents must on their side make no claim of infallibility for modern doctrines. If the steady light of the well-known beacons by which we have steered, and steered successfully, during the past, is to be veiled, at all events let us not be

blinded by the dazzling brilliancy of the comet which has flashed across the sky.'

Goschen, as we have seen, in the previous year, had agreed with Sir M. Hicks Beach when he imposed the corn duty. He agreed with him not less in thinking that now it should be remitted; for under existing circumstances its retention would be regarded, and rightly so, as a stepping-stone to preferential tariffs. If, indeed, a fiscal revolution were intended, let the policy of the Government as a whole be disclosed for the nation and Parliament, after full discussion, to accept or reject. Mr. Chamberlain's plans involved preferential tariffs granted by the Colonies to Great Britain, whilst the latter imposed taxes on imported food from foreign countries. This meant that whilst the Colonies were to *diminish* the duties on imports from Great Britain their chief customer, Great Britain was to *increase* its duties on imports from its chief customer—'the foreigner.' By adopting his policy Mr. Chamberlain maintained that the corn-growing districts in the Colonies would be extended; that a revenue would be obtained by means of which old-age pensions could be established; that retaliation against the tariffs of the foreigner would become possible, and that such an impetus would be given to our home agricultural industry that the labourers would be brought back to the land. The whole of this dazzling proposal, Goschen pointed out, rested on the taxation of food; not of corn only—the food of man and beast—but of beef and mutton also. We ought then, he insisted, to be told what the rate of the tax on food was to be in order to produce such magnificent results. The agriculturists were hoping for a five-shilling duty on corn; and certainly one shilling would do almost nothing to

advance their hopes. It was practically admitted, he thought, by the authors of the plan that taxation on food imports would increase its price, but they said that this would be accompanied by a great increase of wages.

'Let that be proved. . . . Will dearer food mean higher wages? Let no reference be made to text books by some economist to show that higher wages will follow dearer food. I want to examine the facts; I want to know by what economical process, and not by any spinning of a figment of the brain, by what actual process an increase of wages is to follow an increase in the price of food. . . . Also I want to know *whose* wages are to be increased. Are all the wages in the country to be raised? Is a wave of universal prosperity to flow from Protection? . . . It may be said that it will extend general prosperity. Do not let us get to generalities. Let us rather analyse, and look at the different classes affected. How about the vast number of the men employed by the Government, by municipalities, and by public bodies? Are we to pay the dockyard hands higher wages? If so the difference, the difference in the charge, will have to come out of the taxation of food which has been pledged for old-age pensions. Then there is the Post-Office and Railway service. Are wages there to be raised also? Who will take the responsibility of saying "Let us put a tax on food and I will guarantee to you that all your wages shall be raised"? I say this is a tremendous responsibility; and one which I for one would be most reluctant to undertake.'

What would happen, he went on to ask, to the unprotected trades, and to the lower middle class? The taxation would fall upon them all; and where would they benefit? Then as regarded old-age pensions, if the free imports from the Colonies should increase as was promised, the revenue from the corn tax would of course be

diminished. The liability would remain; and where was the money to come from?

'Every class who derived no benefit from the tax on food would have to contribute towards old-age pensions, which at the time of its imposition was to be considered as covered by the taxation on food. My Lords, I call that a gamble. It is a gamble with the food of the people; and I trust that the noble Duke will tell us that in that gamble he will not take a hand.'

Goschen went on to dispute, by the light of facts, taking one test after another, the view that in trade, commerce, and industry, the country was on the downgrade. But, even were that unhappily so, would not retaliation and protection, instead of proving remedies, tend to make things worse than they were before? And he wound up a speech full of hard reasoning with eloquent words of some warmth, not perhaps without a touch of scorn. Mr. Chamberlain had declared that unless these commercial questions were satisfactorily settled, he did not believe the union of the Empire would continue, that now was our chance; either the great idea of consolidation was to find fruition, or if this were dismissed, 'we must accept our fate as one of the dying empires of the world.'

'We are to accept our fate,' continued Lord Goschen, 'as one of the dying empires of the world if we refuse to tax the food of the people! Is the doom of the Empire to be pronounced on every platform if the people refuse to see their food taxed? Is it fair to put the mandate before the people—"No Preference, no Empire"? I think it is unjust to the people of this country, I think it is unjust to the people of the Colonies, I think it unjust to the Colonial Secretary himself, who has done so much, and made such steady, and, I hope, permanent, progress in knitting the Empire together. To knit the Empire together

is his creed! Surely it is not to depend on commercial bargains with the Colonies. Without commercial bargains the Colonies have lavished their blood in South Africa, and without commercial bargains we have lavished our millions in the defence of our Empire which includes the Colonies, asking but little in return; and in these circumstances I am not to be told that if we cannot accept this plan we are to accept the fate of a dying Empire. The resources of Statesmanship are, I hope, not exhausted. Before this idea was mooted many and many were the plans by which it was hoped the Colonies might draw closer to us, and we retain our hold over the Colonies. On that road the Statesmen of both hemispheres must continue to work, undiscouraged if the result should be against the plan, undiscouraged by failure. Forward their Empire must go, not as a dying Empire, but as a living Empire in the world, and our Statesmen must endeavour to realise the fair dream of a cemented Empire without the nightmare of tampering with the people's food.'[1]

A little more than a fortnight afterwards (July 1) fifty-four[2] Unionist Members of Parliament met in a committee room of the House of Commons. Lord Goschen was the only person present not a member of that House. Mr. Henry Hobhouse was called to the Chair on the motion of the Hon. F. D. Smith, seconded by Mr. Renshaw.[3] Sir Michael Hicks Beach, Lord Goschen, Sir Samuel Hoare, and others addressed the meeting, which proceeded to appoint a committee—the foundation of the Unionist Free Food League, presided over by Sir Michael Hicks Beach. Sir Michael and Lord Goschen testified to the complete Party loyalty of those present. Within the Government itself it was well

[1] This speech, under the title of *Our Fiscal Policy*, was republished by the 'Unionist Free Food League.'

[2] Letters also were received from several members unable to attend, but who agreed with the object of the meeting.

[3] Now Sir Charles Bine Renshaw, Bart.

known, said Goschen, were both Free Traders and Protectionists. The proposals of the latter were most dangerous, and they must be resisted. 'Mr. Chamberlain had said it would be a big fight. If that were so, veterans must take their place, and he would do all he could to help the cause of Free Trade.'

Whenever the fiscal subject was raised in either House of Parliament it was evident that, amongst Ministers as well as in the ranks of the Unionist Party, differences of opinion were strong. In the House of Lords the language of the Duke of Devonshire was, as usual, clear and unmistakable. He stood for Free Trade. In the House of Commons it became more and more clear that Mr. Chamberlain's policy meant Protection; and that the House of Commons, strongly Unionist as its complexion was, did not like it. Mr. Balfour, in the hope of maintaining union, where no union was, had recourse to ambiguity. And so the session wore to an end in the middle of August, by which time one thing at least was clear—that the existing situation of things could not last. Would the Duke and the Free Traders leave the Government, or would Mr. Chamberlain and the Protectionists? Where did Mr. Balfour stand? The next meetings of the Cabinet would probably bring matters to a head.

And so they did! Goschen, however, now stood outside official life, and the complete account of what happened amongst Ministers in the last half of September 1903 has no place in his biography. Believing that Mr. Balfour intended to persevere in the Chamberlain policy, Mr. Ritchie, Lord George Hamilton and Lord Balfour of Burleigh—as Free Traders—resigned. The Duke of Devonshire had intended to resign with them, but having been informed (as the resigning Ministers had not been) that

Mr. Chamberlain had himself resigned, the Duke, naturally thinking that this involved the practical abandonment by the Government of the Chamberlain policy, determined to go on, being exceedingly loth to injure Mr. Balfour's Government, if only he could see his way to Free Trade being safeguarded. He did not profess to have a very clear idea of what Mr. Balfour really intended.[1]

'Why in the world does the Duke stay?' asked Goschen, as everyone else was asking, as the month of September drew to a close. On October 1 the National Meeting of the Conservative Associations took place at Sheffield. There Mr. Balfour's pronouncement did much to clear up the situation. Hitherto he had declared that Free Trade and Protection were in substance open

[1] 'I was at that time Financial Secretary to the Treasury, and on September 16 Mr. Ritchie informed me of his resignation, as all chance of compromise in the Cabinet on fiscal matters was at an end. He could not consent to either preferential treatment or retaliatory duties, as proposed. The former meant taxes on food; the latter would land us in protection. Mr. Chamberlain stuck to his programme. Mr. Balfour and the Cabinet supported him, so he had sent in his resignation, and he understood that the Duke, Lord George Hamilton and Lord Balfour of Burleigh had done the same. He had been unable to extract any definite scheme. "We were asked to swallow the principle and trust to Mr. Balfour and Mr. Chamberlain for details."

'Next morning Mr. Ritchie told me, after coming from Devonshire House, that Chamberlain had resigned and that the Duke had *not*; and in the afternoon I called on the latter at his request. I had a long talk with him and told him I personally could not but regret that he remained in the Ministry; to which he replied that he was sure a great many of his friends would feel as I did about it; but that it seemed to him to be almost absurd that everyone should resign—Chamberlain because he favoured a particular policy, and others because they opposed it. From his conversation I gathered the impression recorded in the text. I said I knew some strong Free Traders in the Ministry, outside the Cabinet, who I believed only remained in office so long as he, the Duke, did, regarding his remaining in the Cabinet as sufficient security for Free Trade; but being myself in the department of the Treasury, and being in complete agreement with Mr. Ritchie, I could not possibly remain in office after his resignation on a large question of principle.

'A. D. E.'

questions. Now he was prepared to treat his own interpretation of the Chamberlain proposals as a fundamental portion of the Party policy. His whole tone and the appointment of Mr. Austen Chamberlain as Chancellor of the Exchequer convinced everyone, who did not of set purpose close his eyes to facts, of the Prime Minister's surrender to the late Secretary of State for the Colonies. The Duke of Devonshire could and did hesitate no longer. It would not now be possible to safeguard Free Trade from within. He stood, therefore, by his political principles against Mr. Balfour and Mr. Chamberlain, as seventeen years before he had stood by them against Mr. Gladstone. A Home Rule Cabinet had been no place for Lord Hartington. As little was a Protectionist Cabinet one of which the Duke of Devonshire could be a Member.

Once more Goschen and the Duke of Devonshire found themselves fighting side by side against all the power of a Party caucus. The Free Food League in time became the Unionist Free Trade Club, the Presidency of which the Duke had been prevailed upon to undertake, though naturally anxious not to be called on at his advanced time of life to take much part in agitation. To Liberal Unionists of the older school Protectionism was utterly repugnant; whilst many Conservative statesmen were as vehement as any Liberal Unionist in the cause of Free Trade. Under the Presidency of the Duke, Lord Goschen, Sir Michael Hicks Beach, Lord George Hamilton, Lord James of Hereford, and Mr. Ritchie became Vice-Presidents; and 'dissentient' members of Conservative and Liberal Unionist Associations in considerable numbers joined them. In Lancashire and in other parts of the country local Free Trade Associations and Committees were formed, and were affiliated with the central body; and the succession of

banquets, meetings, and demonstrations that took place, and the breaking up of old Associations recalled the early days of Liberal Unionism.

There was, however, in fact, a very great difference in the party and political situation at these two periods. In the first, every Liberal Dissentient knew that Mr. Gladstone, the leader of the Liberal Party, was enthusiastic for Home Rule, and would carry it if he could. In the latter period, there was just as little doubt amongst Unionist Dissentients that Mr. Chamberlain would, if he could, carry Protection. Unionist Free Traders might perhaps be as firm against Mr. Chamberlain's Protection as Liberal Unionists had been firm against Gladstone's Home Rule. But Mr. Chamberlain did not lead the Unionist Party, and Mr. Balfour did; and many Unionist Free Traders persuaded themselves that Mr. Balfour was in truth the friend of Free Trade whom it would be bad tactics for Unionist Free Traders to quarrel with. All this time the caucus was at work. The old Liberal Unionist Association was entirely in the hands of Mr. Chamberlain. The Duke of Devonshire, its founder and President, was replaced by Mr. Chamberlain, and its whole energies were bent on gaining a victory for Tariff Reform or Protection. Mr. Balfour's uncertainties or ambiguities were, in truth, of immense service to Mr. Chamberlain's propaganda, in destroying the effective fighting power of many Unionists who trusted to Mr. Balfour's disapproval of Tariff Reform, and whose own personal convictions of the merits of Free Trade it was impossible to doubt.

In another respect the Unionist dissentients of 1903 and onwards were in a much weaker position than the Liberal dissentients of 1886. In 1886 the Conservative Party had just had a crushing defeat at the polls. Their only prospect of retrieving their position depended upon

the alliance with Liberal Unionists, who in their turn were dependent upon the support of Conservatives. Lord Salisbury and Lord Hartington, by a process of give and take, were able, though it was occasionally a difficult task, to arrange matters so as to avoid the jarring and rivalries of their followers. But after 1903 the Liberal Opposition, which before that year had not only been in a very decided minority but had been torn by domestic dissensions, closed their ranks and were prepared to take up with absolute unanimity and the greatest enthusiasm the challenge which the Protectionists had thrown down. Apart, moreover, from the fiscal issue, Liberals believed, rightly or wrongly, that on educational and some other questions they now had the country behind them. If they could win without the Unionist dissentients, it was hardly worth their while to modify any portion of their programme, or to make arrangements of any kind with Unionist Free Traders.

Goschen himself had no desire to help into power a Radical Government upon whose future policy his own general views and those of his friends would have no effect. His efforts therefore were of a less militant character than when in former years he was fighting Home Rule. He was striving to enlighten his countrymen, to broaden and raise their ideas, to test by examination the political quackery, as he thought it, by which it was attempted to delude the people into accepting a policy most injurious to the interests of the Nation and Empire. He had no wish to bring recruits to Radicalism; and in his speeches he studied to preserve so far as he could a non-party and a non-electioneering attitude. He wanted to preserve Free Trade, but he did not wish to instal in office the radicalism of Sir Henry Campbell Bannerman.

CHAPTER XII

FREE TRADE AND PROTECTION

THE alarmist views of the condition and future of the Kingdom and Empire put forward by Mr. Chamberlain in 1903 and succeeding years, so far as they depended on facts and actualities, had contained for Goschen little that was novel. He had been always deeply interested in the promotion of a sense of solidarity throughout the whole of the widespread regions of the Empire. He had also long ago marked with anxiety the increasing difficulties with which the British people held their place amongst the nations. With these thoughts in his mind, half a generation before Mr. Chamberlain's speeches at Birmingham and Glasgow in 1903, he had, in no Party or polemical spirit, addressed the University of Aberdeen, as their Lord Rector, on 'Intellectual Interest,' and discussed the kind of results at which it was desirable that our higher education should aim.[1] In an admirable address he had pointed out certain shortcomings amongst us, due to our early prosperity he thought, which resulted in a tendency to undervalue intellectual work. Where other social conditions had prevailed (he was speaking of Germany) the educational system

[1] January 31, 1888.

VISCOUNT GOSCHEN

(about 1904)

'had made industry, knowledge, the reasoning power, interest and delight in every form of work, natural—almost popular—ideals, to a degree unparalleled elsewhere. It had carried the scientific spirit into every form of national enterprise, into trade, into industry, even as we had all seen into the operations of war. . . . Our position in the race of civilised nations was no longer what it had been. We had had a great start in industry and commerce, and, by virtue of that start, we had attained to a station of unprecedented and long unchallenged supremacy. That supremacy was no longer unchallenged. Others were pressing on our heels. We required greater efforts than formerly to hold our own. Mother wit and boldness in seizing great opportunities—the chief factors in our previous success—were no longer sufficient, if others were to be more strenuous, more painstaking, more widely informed.'

In Goschen's opinion the final test of the value of an educational system, whatever its curriculum might be, was its success in inspiring an interest which would cause its scholars to go through life, teaching themselves.

'Is the system intelligent? Is it thorough? Above all is it rousing? Does it excite intellectual interest in those who come under its influence? Does it develop in them the temper which always asks for a reason and struggles to arrive at a principle?'

The British people had always rightly prided themselves on being, above all things, a practical people, and on their readiness to condemn ignorant theorising; but were this self-satisfaction to extend to the decrying of the intellectual study of principles and general truths in the conduct of business, Goschen warned them that it would be full of danger to the prosperity of the community.

'Nothing can be more deplorable than that the men

who have to deal with economic problems should be divided into theorists, who have no knowledge of practical details, and practical men, who shrink from the labour, or despise the results, of a study of general principles. To make the antithesis complete I should have used the word "theories" instead of "general principles." But so discredited is the very word "theory" in some commercial circles, that I shrink from it, lest, being regarded as the champion of theories, I should suffer a complete loss of credit with the practical men whom I have in my mind. They will not even like to hear of principles. But the term does not carry with it the same whiff of unpracticality which is unfortunately connoted by the word "theory."'

The Fiscal or Tariff Reform question, which, fifteen years after Goschen had used these wise words, was stirring the British people and rending political parties in twain, was one which eminently required that men practically acquainted with trade and commerce, and yet who had studied principles of economics, and who knew the fiscal and commercial history of their own and other countries, should in a great crisis give some leadership to the nation. Of all Englishmen Goschen was in these respects by far the most eminent, and with him ranged themselves two other statesmen who, as Chancellors of the Exchequer, had been responsible for British finance, both of them strong Unionists in Party politics, viz. Sir Michael Hicks Beach and Mr. Ritchie. It was fitting therefore that a few weeks after the Prime Minister's speech at Sheffield and the resignation of the Duke of Devonshire, Goschen should address himself on the subject of the day to a very important but non-Party body—the Liverpool Chamber of Commerce.[1] He did not wish, he

[1] November 6, 1903, published by the Unionist Free Food League.

said, to deal with personalities or to theorise. He would point only to facts, leaving aside the theories even of the younger economists.

'I have worked out these problems for myself. I have been a patient observer of commercial, banking, and trade affairs, and it is from that point of view I speak to you as a business man.'

What was meant by 'retaliation'? Mr. Balfour's language was ambiguous. If he only meant that in some special case of outrageously unfair treatment of this country it might be wise to 'retaliate' where that course would not bring great disadvantages upon ourselves, there was perhaps little difference between himself and the Prime Minister. But if he meant that the Executive Government should be endowed with general powers to meet the foreigner with a retaliatory tariff without further appeal to Parliament, he could not agree with him. And this ambiguity he entreated Mr. Balfour, for the sake of the due understanding of the controversy, to clear up.

The object that Mr. Chamberlain had in view of increasing the area of corn growing in the Colonies was a good one; but Goschen did not believe in any material result of that kind following from the imposition of a two-shilling duty on foreign imports of corn. If the price in England did not rise the Canadian farmer would not get the two shillings, and the promised expansion in Canada would not take place. He had his eyes on the future, and he could put no faith in the forecast held out to them, that should the United States want corn for themselves we should be able to rely for cheap supplies on Canada.

'Supposing,' he said, 'that through larger demands with a non-progressive supply in the United States, corn prices

were to go up, and the United States were supplying us less with corn, would Canada immediately send the corn to us? Or what security have we got that the corn in Canada would not go across the frontier, in order to supply the Americans with corn, which on this assumption they would be short of. It is a question of the world's markets. You cannot indicate a particular country and say that that particular country is going to supply us. It would indeed be unwise, if we were to break our connexion with other corn-growing countries, wishing to rely simply on our own colonies. It has something in it, which appeals to me; but I don't know that it is wise.'

It certainly never could have occurred to Goschen that it would be right, or would serve Imperial interests, to oppose the desire of Canada to develop her own resources, by obtaining as far as she could a free market with the people of the United States.

Goschen firmly believed that the 2*s*. duty must *tend* to increase the price of corn, though amongst other causes of variation its operation might be imperceptible. In one way or another the two shillings would be found included in the price. The general feeling certainly was that increase of taxation meant increased cost to the consumer.

'I think Mr. Chamberlain must have held that view very strongly himself, since he would not tax maize or bacon because it entered into the food of the poor. Above all he would not tax raw material. Why? Because he felt instinctively, as the community feels, that the taxation of objects *does* increase the price to the consumer.'

After showing from the facts established in the great Fiscal Blue-book that the price of corn in Germany and France exceeded its price in England by pretty much the amount of the tax imposed in those countries, he proceeded

to consider the statement that our country was being ruined —in the picturesque language of the day was 'bleeding to death'—in consequence of the excess in value (£180,000,000 annually) of our imports over our exports. Still the interest on our foreign investments had increased, and there was a direct import of bullion. But we had paid for our imports somehow, and it could only be by our exports and services rendered. To enlighten 'the man in the street' as to how these things were done, he gave an illustration:

'Suppose a man to send out to Africa some beads, which cost him £10—"export £10." He goes to Africa and buys £100 of ivory with the proceeds of this £10; exports £10, return import £100, bleeding to death £90. Now this hypothetical case illustrates how the balance of imports over exports might sometimes arise. We should be sorry if everything came back simply without any profit and without anything being paid for our ships.'

He further analysed most effectually Mr. Chamberlain's contention that British trade and commerce were tottering to their fall, 'regretting' that he was quite unable to give to his Liverpool audience 'the sweet and tickling pleasure of hearing that they were all in a permanent decline.'

This woful state of things at home was not borne out by any tests which he was able to apply. Neither was the glowing account given of German prosperity. Goschen, in short, was not prepared to reverse our whole fiscal system in sheer panic that foreign trusts would continue to dump down on our shores goods at unremunerative prices—at the expense, that is, of the home consumer. These trusts in their own country were viewed with much alarm; and trusts, it must be remembered, were the children of Protection.

'Mr. Chamberlain had said that, if things went on as they are now, it would be well for the British workman to learn French and German. Do you think that the British workman will be tempted to go to the land where wages are lower and where food is dearer? Not if he knows it.'

He admired, he said, in winding up his speech, Mr. Chamberlain's past services, his great ability, and his present enthusiasm,

'but he did hope and trust that that very fire of his enthusiasm, which was warming the heart of the nation, would not lead its judgment astray.'

After Goschen's speech in the House of Lords in June 1903, Mr. Chamberlain could hardly fail to recognise from what quarter his main difficulties, so far as hard reasoning was concerned, would proceed, if at least he had any hope of converting to the new fiscal policy the better instructed portion of the community. Mr. Chamberlain was speaking to the masses, and his return fire to Goschen's heavy guns was better calculated to amuse popular audiences than to impress men of business, or those who had made a study of history and economics. In the country Mr. Chamberlain carried with him the applause of immense and enthusiastic gatherings. But his speech in the City of London fell in comparison somewhat flat. In the middle of August 1903 a declaration had been published of some importance. It was signed by a number of distinguished political economists, and it proved that the great balance of authority amongst those who had made that science their serious study was strongly on the side of Free Trade, though there were several respected names on the other side. The professorial manifesto was written with no Party object, and emanated solely from the laudable desire of men who had examined these matters scientifically upon

their merits to let their countrymen have the benefit of their conclusions. In their opinion the increase of imports did not involve any diminution of employment. And to the best of their belief a tax on food would not result in a rise of wages. If these propositions were sound, they cut away the ground of nine-tenths of the arguments addressed during 1903 and succeeding years by so-called fiscal reformers to Conservative electioneering meetings.

Protection, under whatever alias—'Fair Trade,' 'Tariff Reform,' '*True* Free Trade,' it may be described, can always be made in appearance attractive, at least, to limited interests. It is when the gain or loss of the community as a whole is considered that the system is seen to break down. In electioneering the Tariff Reformer thus has a considerable advantage. He would 'protect' hops in Kent, glass at St. Helen's, boots at Northampton, wheat in Lincolnshire. But for competition, he declares, such splendid prices would be realised by the home producer! Then let us forbid or hamper, by a sufficient duty, foreign competition. It all seemed so simple! The local elector very often did not raise his eyes beyond his own business far enough to see that he was asking for a benefit at the expense of everybody else. Now to benefit everybody at the expense of everybody else—to benefit especially the failing and unprosperous businesses at the expense of the thriving ones—is a policy little likely from the public point of view to be of advantage.

A dozen years before Mr. Chamberlain began his campaign, when indeed he was looked upon as a stalwart defender of Free Trade, the acute eyes of Lord Randolph Churchill had already seen the electioneering advantages that might accrue from a happy rhetorical combination upon the platform of Patriotism and Protection.

'In Oldham'—he is writing to Sir Henry Drummond Wolff[1]—'I had a most warm welcome yesterday from 600 working men. I spoke for fifty-five minutes—quite enchanting (my speech). What would you have given to have heard it!!! I will however declaim it to you when we meet. Fair Trade, and taxing the foreigner, went down like butter. How the latter is to be done I don't know. . . .'

And he never found out! In later life increased knowledge and greater responsibilities checked the statesman from the serious pursuit of those brilliant illusions that for a time had dazzled rather than deceived the irresponsible political campaigner from 'below the gangway.' The 'Fair Traders' were disappointed when, in after years, Lord Randolph would have no more to do with their nostrums. By that time he had realised better than they had what pushing the Fair Trade cause to the front, in an industrial country such as this, would mean for the Conservative Party—inevitable rupture and almost certain defeat.

The break-up of the Cabinet and Mr. Chamberlain's autumn campaign rapidly brought to a head the intense dissatisfaction existing within the Unionist Party at the new fiscal departure. The Committee of Unionist Members of Parliament, of which Sir Michael Hicks Beach was Chairman, widened into a Free Food League. Liberal Unionists, many of them amongst the earliest and stoutest defenders of the Union against Mr. Gladstone and the Liberal caucus in 1886, left the Liberal Unionist Association and the Liberal Union Club, which, under Mr. Chamberlain's guidance, hoisted Protectionist colours, and a state of things within the Unionist Party arose closely resembling the disturbed condition of the Liberal Party seventeen years before. Once more Goschen was urging the Duke of

[1] September 10, 1881. *Life of Lord Randolph Churchill.*

Devonshire to put himself at the head of the moderate element of his own Party in order to withstand a new departure almost forced upon it by the enthusiastic energy of a single popular statesman.

'It was very good of you,' wrote Goschen to the Duke of Devonshire, October 11, 1903, 'to write so full a letter explaining the difficulties of your position. I quite appreciate them and believe me I sympathise with what you tell me as to your personal feelings, your disgust with politics, your reluctance to take up an aggressive attitude towards the Government you have just left. . . . But the emergency is very serious. . . . The fate of the Free Trade Unionists —the degree to which they may hope to have any influence on the public mind depends on your decision. As to one of your difficulties, your attitude on retaliation, so far as it depends on the alleged Cobdenic law that no tax should be imposed for any but revenue purposes; many of us, in fact most of us, would, I think, be prepared to say that we would not take up that general position of *non-possumus*. We would not lay down that retaliation should be absolutely debarred on principle, only we don't see how it is to be applied till we have a concrete proposal; indeed *your* attitude. There are some who would not go so far, but not many, and I think the League might officially publish its opinion in the above sense.

'I think so far you need have no fear of difficulties in the way of your joining and leading us. . . . As regards the L. U. Association I understand your scruples. It represents a fine piece of your work and that of your colleagues in the Home Rule days; but in the present day what does it represent? Is not Powell Williams[1] its salaried representative? What can it do? It can't select candidates or recommend them. It can't issue fiscal literature. Evidently the whole action is paralysed. Whether it does actual harm, you and

[1] M.P. for Birmingham, afterwards the Right Hon. J. Powell Williams.

James[1] must know better than I. But I do not see that your joining an Association to resist the taxation of food, and any system of "all-round protection," is any more in conflict with your remaining in the Unionist Association, than for Chamberlain's friends and representatives to remain there. It must be a dormant Association in any case; but if that cannot be, I should say better break it up than let the whole of the Free Trade Unionists be without your leadership. As to what you tell me about —— and —— and —— Balfour seems to plunge deeper and deeper into a bog of contradiction. Every word in your letter as to the discrepancy in his "Notes"[2] and the Sheffield speech and the correspondence with Chamberlain was absolutely true, and no word hostile to the taxation of food. I gather from what you now tell me that to gain the moment he has made up his mind to discourage this taxation a little more. He cannot, I presume, declare against it. "The Party" I fear is too much in favour of the Chamberlain plan. . . . As to the intricacy of the subject the real issues will emerge gradually and become simpler. Though the subject is not appetising, I think it is certainly not beyond your powers of digestion.'

Lord James of Hereford and other old friends pressed the Duke strongly in the same direction.[3]

The whole progress of the fiscal campaign soon made it quite clear that the 'Imperial' ideas by which in great part Mr. Chamberlain had been moved were, amongst those to whom his appeals were made, becoming less and less popularly potent than the wish for pure Protection. Neither Mr. Balfour nor Mr. Chamberlain liked the word 'Protection,' and in many of the speeches of the former there is ample evidence that he personally disliked the

[1] Lord James of Hereford.

[2] *Notes on Insular Free Trade*, by the Right Hon. A. J. Balfour.

[3] A year later the Unionist Free Trade Club was founded. See Appendix V.

thing. In Edinburgh, early in October 1904, for instance, the Prime Minister spoke as a Free Trader, and declared that he had no desire to encourage home industries by raising home prices. *That* was Protection; and if his Party embarked on a Protectionist policy he would not continue to lead it. Amongst Free Trade Unionists some thought that Mr. Balfour was preparing to dissociate himself from Mr. Chamberlain, whilst others believed he was preparing the way for a junction of forces. However this may have been, Mr. Chamberlain's speech in Bedfordshire a little later was entirely on the lines of old-fashioned Protectionism. Agriculture had been ruined by Free Trade. Foreign competition had been almost fatally injurious to one trade after another, including the straw-plait trade in Bedfordshire, where he was speaking. And this was to be the cue of all Tariff Reform electioneering speeches throughout the coming years!

Free Trade was ruining the nation. Our only salvation lay in excluding or checking imports. The Germans had been poor. They were now rich. This was due to 'Protection.' And thus Patriotism was summoned to the assistance of false economy and bad business. From time to time the Prime Minister had evidently philosophical doubts as to the soundness of the new or revived doctrine of the older Toryism that Mr. Chamberlain had once more brought into fashion. Mr. Balfour could not help remembering that our rivals—even the Germans—were also our customers, and he thought it was not wholly to our loss that our customers should be rich and prosperous. Whether there were any differences as to fiscal policy (and if so, how great their difference might be) between Mr. Balfour and Mr. Chamberlain was a matter of some importance, and of great interest to Lord Goschen

and others. But of one thing there was no doubt, viz. that with Conservative election meetings the new gospel—pure Chamberlainism—'*went down like butter.*' The Party caucuses were with Mr. Chamberlain. Free Trade was inconsistent with membership of the Unionist Party. And Conservative political partisans and election agents forgot, not for the first time in British history, that caucuses are not the country. Mr. Chamberlain had his way, with the result that the General Election of January 1906 was to turn for the first time for a couple of generations on the broad issue, Free Trade and Protection.

By the end of 1903, Mr. Chamberlain in a series of vigorous speeches had developed his policy. When President of the Board of Trade (August 1881), he had warned his countrymen to be on their guard in times of trade depression against the specious fallacies of the 'Fair Traders.'

> 'Under the sting of great suffering, and deceived by misrepresentations, the working classes might be ready to try strange remedies, and might be foolish enough to submit for a time to a proposal to tax the food of the country; but he was quite certain that were that done, and the depression to recur, it would be the signal for a state of things more dangerous and more disastrous than anything that had been seen since the repeal of the Corn Laws.'[1]

In 1903 depression was general at home and abroad, and Mr. Chamberlain was passionately urging that the only hope for the country lay in overthrowing the Free Trade system, and imposing duties on imported food. A large proportion of the public accepted and improved upon his teaching. The nation was being ruined by the abundance of wealth poured upon its shores. 'The Foreigner' must be forbidden

[1] Hansard *Debates.*

or hampered in his desire to sell things cheap, even to ourselves! A great many good people were really frightened at the picture of national ruin held up to them.

'Agriculture, as the greatest of all trades and industries of this country, has been practically destroyed. Sugar has gone. Silk has gone. Iron is threatened. Wool is threatened; the turn of Cotton will come. How long are you going to stand it? At the present time these industries, and the working men who depend upon them, are like sheep in a field.' (Mr. Chamberlain at Greenock, October 7, 1903.) [1]

By the middle of December it was quite clear that, whatever Mr. Balfour might mean, Mr. Chamberlain intended to attack the Free Trade system along the whole line. Accordingly on December 12, 1903, the Duke of Devonshire, with the approval of Lord Goschen, Lord James of Hereford and other leaders of the Free Trade Unionists, made known his opinion that Free Traders 'would be well advised to decline to support at elections Unionist candidates who expressed sympathy with the policy of Mr. Chamberlain

[1] According to the census of 1901, the number of the population of the United Kingdom occupied in agriculture was 2,262,454, or not far from twice as many as in any other class of industry.

The following are the values of British exports in 1903 and 1910 respectively:—

	1903	1910
	£	£
Silk Manufactures	1,436,000	2,276,000
Woollen Manufactures	24,627,000	37,524,000
Cotton Manufactures	73,611,000	105,915,000
Iron and Steel Manufactures	30,399,000	43,002,000
Machinery	20,058,000	29,296,000
Ships	4,283,000	8,769,000
Cutlery, Hardware, etc.	4,638,000	6,424,000

Imports of Sugar

	cwts.	cwts.
Refined	18,588,000	16,937,000
Unrefined	12,648,000	17,637,000

and the Tariff Reform League.' Neither the Duke nor Lord Goschen were men to content themselves with a bare protest. They wished to do more than relieve their own consciences by a public remonstrance against the mischief that the new policy would bring upon their country. As with Home Rule, so later with Protection. A bad policy had not merely to be denounced, but had also to be defeated; and at a time of life when, on personal grounds, both Statesmen would have welcomed greater leisure and more ease the 'veterans' again took up arms. Thus in his short remaining years Goschen's public energies were mainly directed to upholding the Free Trade cause.

The sessions of 1904 and 1905 did nothing to restore the credit of a Government and Party disastrously affected by the resignations and dissensions of 1903. In the House of Commons the Prime Minister was largely successful in avoiding a full debate on the Chamberlain policy and in refusing to disclose his own views on the fiscal question. A group of Free Traders on the Ministerial side of the House and the whole Opposition upheld that cause, and there was never any doubt as to there being a majority for Free Trade on the merits. But a decision on the merits by the House of Commons was the very thing that in the name of 'Party tactics' the Conservative managers strained every effort to avoid. There was now no 'Mr. Goschen' or 'Lord Hartington' to lead the 'Dissentients,' and to encourage them, if need be, to fight Protection though advocated by Mr. Balfour, as in former days they had fought Home Rule though embraced by Mr. Gladstone. It was impossible to raise the question in the House of Commons out of the region of 'tactics.' Still, the position of the Ministry became more and more difficult, till at last, undefeated in the House of Commons and in deference, it

is presumed, to 'tactical' considerations, Mr. Balfour (December 4, 1905) resigned, and was at once succeeded by Sir Henry Campbell-Bannerman. In another month the General Election took place, and the policy of Tariff Reform was before the country.

Early in 1905 Lord Goschen at Cambridge[1] delivered a very masterly address on Fiscal Questions. The political situation was puzzling. He thought, he said, that he understood Mr. Balfour, and he thought he understood Mr. Chamberlain; but he could not for the life of him understand how the two could agree. The excess of imports over exports he did not believe was any evidence that the nation was 'bleeding to death.' The 'invisible exports' had been forgotten, but these were very real though invisible, representing partly freight and charges of which no account was taken in valuing exports, partly interest on British capital invested abroad. People, he complained, would always look at huge totals, but they did not look at the way in which they were made up. Of our total imports of 551 millions 414 millions were for food and raw material. On the other hand, 80 per cent. of our exports were manufactured goods.

'I ask and it is important the country should well consider it: whereas out of our imports, three-quarters consist of goods which you would wish to see imported under any circumstances, is it wise without more evidence to change the whole of our system, and disorganise all our commerce, because there are alleged difficulties in reference to the remaining quarter?'

And if we insist upon shutting out imports from the foreigner he will buy so much less from us. The object is to increase home employment; but this scheme would

[1] January 27, 1905. Address to the Cambridge University Free Trade Association, the Hon. A. Elliot, M.P., in the Chair.

throw out of employment those who had been employed on our exports. It was his belief, and he gave good grounds for holding it, that what the Tariff Reformer advocated would lame our industry and our trade and involved a speculation on which the country ought not to be called to embark. On the other side, he did not believe that these changes would tend to the closer union between Mother Country and Colonies, an object he had always had much at heart.

It may well be doubted whether the attempt to evade debate in the House of Commons served in the long run the interest of the Unionist Party. In Lord Goschen's opinion the Government was sacrificing the reputation of that House itself. To refuse to take part or to vote in important debates could not be called a policy. He was tired, he said, of hearing about what were called 'moves in the game.' There were important matters which ought not to be treated as mere conflicts of skill and tactics between parties or sections of parties, and he thought that, momentarily, those who led the House of Commons had been forgetful of what was due to its dignity.[1] It certainly was not satisfactory, at a time when these matters were regarded throughout the country with the utmost seriousness, when almost every week they were made the subject of harangues at vehement, packed, or Party meetings, when columns of the newspapers were filled with the discussion, that in the House of Commons alone there should be no adequate debate; because it did not suit the Party game. The composition of the House of Commons peculiarly fitted it to perform on such subjects its proper function of debate. Nowhere else was it possible to find such varied knowledge of business of all kinds—bankers, merchants, agriculturists,

[1] Speech of Lord Goschen at a banquet of the Unionist Free Trade Club, April 10, 1905.

shipowners, representatives of great industrial interests, capitalists, lawyers, and working men. In the interest of the nation as a whole, the right place to have threshed out the fiscal question in the years 1904 and 1905 was the floor of the House of Commons. But then this did not suit 'the Party'!

In the House of Lords, in spite of its great Tory majority, the critics of the Conservative Government had a freer hand than in the Representative House, which in recent years has tended to become almost abjectly submissive to the Executive of the day, to whichever Party that Executive belongs. The Duke of Devonshire and Lord Goschen, as usual in close alliance, were able to raise most useful discussions on fiscal matters, thereby doing not a little to enlighten the public mind, which the Tariff Reform agitation had a good deal confused. The Duke frankly challenged discussion of the main position taken up by Mr. Chamberlain and his followers by moving in the House of Lords at the end of July 1905 a resolution disapproving of a general or penal tariff, and of a system of Colonial Preferences based on the taxation of food. In supporting the resolution, Goschen spoke with warmth of the refusal of the Government to make a plain declaration of their policy. If a Colonial Conference on fiscal questions were to take place, was it to be unfettered in discussion—able to discuss the free admission of British manufactures into the Colonies, as well as the taxation of food and raw material coming into our own ports? He held, after having studied all their speeches, that there was a strong and fundamental difference between the views of the Prime Minister and of Mr. Chamberlain.

'Mr. Balfour never alludes to the Tariff Reform

Commission. . . . I maintain that he is not in sympathy with Mr. Chamberlain as to a penal and general tariff. . . . I feel certain that intellectually Mr. Balfour has not surrendered to Mr. Chamberlain. As regards his will and other portions of his character I doubt how far the fascination of a strong man may not have affected him to a certain extent.'

He implored the Government to speak and to speak plainly, for practically Mr. Chamberlain was being allowed to annex Mr. Balfour to his policy, by the latter's silence, 'which was absolutely deplorable.' Mr. Chamberlain, he said, was understood by everybody. Mr. Balfour was not. 'On one side, clear transparent speech. On the other the ambiguity of silence. The Government could not afford to be obscure.' If they were, they would lose their hold on their Party and the country.

On the very eve of the elections Goschen once more raised his voice against the fallacious statements and pernicious teachings of Tariff Reformers in a speech to the Unionist Free Trade Club on 'Exports and Prosperity.'[1] Warnings were plentiful. So they had been in 1886 before Mr. Gladstone made his fatal plunge. No efforts could prevent it; but they did at least secure that, if fatal to the Party, Mr. Gladstone's policy should not drag down the country with it. The Union was saved. Twenty years later, the question before the country, in the opinion of many Free Traders, was hardly less serious. In their opinion the mischief, direct and indirect, which the reintroduction of Protection would cause, was incalculable. Kingdom and Empire, national strength and prosperity, the welfare of the working classes, the morality of public life, would all suffer by it. Many individuals and interests might grow

[1] December 7, 1905, Mr. F. Huth Jackson in the chair.

richer, but the people as a whole would become poorer, and those would suffer most who had least to lose. The General Election of 1906 turned on Free Trade *versus* Protection, for the electors could not be got to believe Conservative allegations that the retention of office by Sir Henry Campbell-Bannerman and his colleagues would mean the destruction of the Empire. Mr. Asquith's speeches on the Fiscal Question, his complete grasp of the whole subject, his triumph at the bar of reason over Tariff Reform or Protectionist fallacies, gave him a great position in the public eye. The verdict of the country was decisive and overwhelming. 'Free Trade was saved.' So said the Duke of Devonshire in June at the General Meeting of the Unionist Free Trade Club, adding cautiously and characteristically the words 'for the present.' At all events, during the short remainder of the lives of its chief Unionist defenders, the Duke himself and Lord Goschen, it had little more to fear.

There was no special reason, after the General Election, and with Free Trade safe, why Goschen should continue to sacrifice so large a portion of his time to political work. In the House of Lords when the new Parliament met he could not but deplore the fresh evidence given by what were called 'The Valentine Letters' that Mr. Balfour had accepted Mr. Chamberlain's policy and was moving towards the 'Birmingham abyss.' Later in the year 1906 he two or three times addressed the House of Lords on the Education Bill, greatly deprecating the injury which he feared it might do to the Church schools and to the cause of education itself. His health and strength seemed quite unimpaired, and he attended and took part in the proceedings in the House of Lords in the autumn session that only came to an end just before Christmas, which, as usual, he spent at

Seacox Heath. He was to be spared that prolonged spell of existence after the faculties of mind and body become deteriorated, which forms the last chapter of so many lives. On February 7, 1907, in his house in Sussex, without having been seriously ill, he passed away in the night having retained to the end of his life all his faculties and energies unimpaired, excepting only that his eyesight, which was never good, had lately become worse.

The following month Unionist Free Traders assembled at their Annual General Meeting,[1] with their President in the Chair. The Duke, speaking in support of a resolution of the Executive Committee, deploring the loss of such a determined champion of the Union and Free Trade, expressed his sense of the loss which the Unionist Party, the Free Trade Unionists and the Country and Empire as a whole had sustained by the death of Lord Goschen.

'Lord Goschen and I were very nearly contemporaries. I think I entered Parliament shortly before he did; and he entered the Liberal Government shortly before I did. Since that time, a period now of over forty years, we have acted together in very general agreement. I need not say that the severance of such a long connexion as that is a matter which cannot fail to affect any man, and I think that perhaps more than most I feel the immense loss we have sustained in the death of Lord Goschen. He was one of the first, if not actually the first, of the Liberal Leaders with whom I took counsel when we thought it necessary to raise a protest on the first announcement of Mr. Gladstone's conversion to Home Rule. That protest was, I think, not altogether without result in the final defeat of the measure. Lord Goschen had retired, not from political life, but from official political life before the tariff controversy was raised. That issue called him back to active political

[1] March 17, 1907.

life. He was a man who combined great knowledge of economical subjects with the trained judgment of a Statesman, and I believe that his opinions on this question weighed almost more in the public mind than those of any other man.'

He was buried on February 11 at Seacox in the presence of relatives and friends and representatives of the University of Oxford. In the *Spectator* of February 16, 1907, appeared the following noble verses written by his old friend, Mr. Arthur G. Butler :—

'LORD GOSCHEN

'*February* 11, 1907.

'All through a life of toil, in age redoubled,
He served his land, his aim a nation's good :
Fighter undaunted, thinker, clear, untroubled,
Where others stumbled, he unfaltering stood.

Friend whom we clung to; leader whom we followed,
Manful and ardent for the cause he served;
No false allegiance held, no party hallowed
Steps that from truth had strayed, he never swerved.

Lover of England and her ancient story;
Proud of her greatness, sober, temperate, free;
Straining her wealth to guard her Empire's glory,
Fearless but watchful on her throne, the sea.

Lover of lettered ease, how weary often,
Fain would he rest and lay the burden by;
But England will not let her sons to soften;
They must fight on in harness, live and die.

And now 'tis done, the long day's work is finished;
Triumph and failure, both may be forgot,
But he has left us, noble, undiminished,
Heirloom of time, a name without a blot.

Ah! this brief day of ours! the night is falling;
When the word comes, we can no longer stay:
The past is past, beyond the future calling;
Men of all parties, we are *One* to-day.'

If the story of Lord Goschen's life presents to the reader anything like a true portrait of the Statesman and the Man, it should be quite unnecessary for his biographer to add any appreciative or eulogistic comments of his own. I cannot, however, but recognise that many of those who have looked on at politics from a distance, and to whom the chief actors on the political stage have been but names, may find it difficult to realise to the full how great is the benefit to the nation arising from the fact that a life such as Lord Goschen's has been dedicated to the true service of the State. I have no hesitation in saying that the more a man has known at first hand of political doings and of politicians, the better he will appreciate the debt which his country owes to Lord Goschen. My own recollections of public life go back rather far. I think I have been personally acquainted with every Cabinet Minister on the Liberal side of politics (with the exception of Mr. Ayrton) since Mr. Gladstone formed his Ministry of 1868. And long before I was myself directly concerned with political life I had become acquainted from 'Under the Gallery' in the House of Commons, and from the 'Bar' of the House of Lords, with the speeches of such heroes of the past as Disraeli, Cairns, and Lord Derby (the Prime Minister).

Amongst statesmen of the Victorian era Goschen's position was unique. He was no 'crank,' though for a considerable portion of his life he stood detached from Party. He was able to compromise where his so doing did

not involve the surrender of what he considered a vital principle, and he could never have contented himself in giving forth to his countrymen from some superior pedestal counsels of unattainable perfection. Lord Goschen combined two admirable qualities which are rarely united, but which, when they do co-exist, constitute great qualifications for rendering real service to the nation. He was at the same time a moderate man and a fighting man. A moderate man is too often a timid or a half-hearted man. On the other hand, fighters are apt to be extremists. But the statesman or the citizen who holds moderate opinions and thinks them worth fighting for, and who even at the bottom of his heart rejoices in fighting for them, is rare in this country, and is hardly known out of it. Goschen aspired, not unsuccessfully, to make moderation a force.

I was once in recent years serving on an Executive Committee with Lord Goschen, at which some little difference of opinion had taken place as to the advisability of certain aggressive proceedings against political opponents. When the Committee was at an end I was talking over the subject privately with him, and remarked that the pugnacious line had been supported by ——, an 'essentially moderate man.' 'Oh, yes,' replied Lord Goschen; '—— is a moderate man, *like me—a violent moderate man!*' The occasion was of no particular importance, but the phrase was a happy one, and certainly touched off a certain aspect of his nature.

'Goschen was always rather a fire-eater,' wrote Mr. Arthur Butler to me after his death, referring to some incident of his school days which very nearly ended in battle. 'In politics,' he continued, 'he was a strong Liberal of the Left Centre, and he claimed that he had never abandoned this position, even when he had joined

the Carlton. They had come over to him, not he to them.' There is some truth perhaps in this claim. But it is quite clear that with Lord Goschen, as with most men, a Conservative sense of satisfaction with the present, and of unwillingness to change, increased with advancing years. Whether a member of the 'Reform' or the 'Carlton,' he always remembered that Party was but an instrument to achieve the good of the nation, and he would become impatient with those whose whole interest in political questions seemed to be limited to the probable effects of some great policy on the interests of the one Party or the other.

In the work of electoral organisation, in the machinery of Party, he took no interest whatever, and the influence that he possessed came entirely from his power in appealing to the intelligence, the patriotism, and the sense of right and wrong of his countrymen. Two things specially provoked him to indignation when he thought he perceived them: the setting class against class, and the manifestation of indifference to the greatness and power of the nation. His individual courage and readiness to undertake responsibility proved an asset of the first importance to administrations of which he was a member, as, for instance, in such momentous matters as the conversion of the National Debt and the facing of the Baring crisis. His capacity as an administrator was demonstrated to the great benefit of his country in his rule, at two long separated epochs, over the destinies of the British navy.

But perhaps, 'after all,' as he himself would have put it, the greatest service he rendered the State was indirect. His whole career tended to uphold the character of the life political. The multitude of modern biographies display the variety of motives that induce men to embark on the

sea of politics. Goschen had his ambition, of course, but it was not that of the political adventurer. It was to do something, rather than to seek something for himself. As Lord Northbrook's father wrote to his son, when meditating on his future career:

'Political life has its ups and downs, its cares and its pleasures like other lines of life. If indeed, power, or office, or some wretched peerage is the object of a public man, of all men perhaps he is the most miserable; but if his opinions are approved by his conscience and his course is honest he will find that labour in the cause of duty has its blessings whether he be in office or not.' [1]

He owed his entry into political life to the high opinion that was formed of him by men who knew him well and were eminently competent to judge; and the position which he rapidly attained was due to the general recognition of his ability and character. He never practised the arts of self-advertisement, but it was very soon universally perceived that he was a man who had to be reckoned with. Public men of the type of Lord Goschen are not too common in any period of our history. And the present time can as little as the past afford to be without them.

[1] See Mr. Bernard Mallet's excellent *Memoir of the First Earl of Northbrook.*

APPENDICES

APPENDIX I

A MEETING of Liberals determined to maintain the Union was held on May 22, 1886, at the Westminster Palace Hotel. Lord Hartington presided, and speeches were made by the Chairman, Mr. Goschen, Mr. P. Rylands, the Duke of Argyll, Mr. James Cropper, Lord Derby, Mr. H. R. Grenfell, &c. A Liberal Unionist Association was formed. The following were appointed members of the General Committee, viz. :—

The Duke of Argyll.
Hon. E. Ashley.
Sir R. Anstruther, M.P.
Sir T. Brocklebank.
Sir R. Blennerhassett.
Mr. Biddulph, M.P.
Mr. Backhouse.
Mr. R. Bickersteth, M.P.
The Duke of Bedford.
Rev. J. Bond.
Mr. Buxton.
Mr. Brand, M.P.
Mr. Brodie.
Mr. A. L. Bruce.
Dean of Gloucester.
Earl of Camperdown.
Sir E. Colebrooke.
Mr. Craig Sellar, M.P.
Mr. Cartwright.
Mr. Dent.
Earl of Derby.
Hon. A. Elliot, M.P.
Mr. Foljambe.
Lord Fife.
Sir A. Fairbairn, M.P.
Mr. Finlay, M.P.
Mr. Fry, M.P.
Mr. Gill.
Mr. Goschen, M.P.
Mr. A. Grey, M.P.
Mr. Hornby.
Mr. W. Hogg.
Mr. Henry Hobhouse, M.P.
Mr. Heneage, M.P.
Lord Hartington, M.P.
Mr. Hallett.
Sir J. Lubbock, M.P.
Mr. E. A. Leatham, M.P.

Mr. A. Milner.
Mr. Morrison.
Lord Monteagle.
Mr. Maude.
Earl of Northbrook.
Mr. Noel, M.P.
Mr. Pease.
Mr. T. W. Russell.
Mr. Rylands, M.P.
Lord Revelstoke.
Lord Rothschild.
Duke of St. Albans.
Duke of Westminster.
Lord Stalbridge.
Mr. Wodehouse, M.P.
Mr. Watson.
Sir W. Thomson.
Mr. A. Dicey.
Sir R. Cunliffe.
Mr. A. Meysey Thompson.
Baron F. de Rothschild.

APPENDIX II

With regard to the Second Reading of the Home Rule Bill, the *Times* of June 9, 1886, said very truly that 'The Division in the small hours of yesterday morning marks formally the disruption of the historic Liberal Party. There are in the present House of Commons 332 members who are generally reckoned as Liberals. . . . Of these 93 formally ranged themselves yesterday as Unionists, and 228 as Separatists or Gladstonians, seven walked out, and three were ill. This accounts for the whole, except the Speaker, who has not declared himself. The following 93 Liberals, including tellers, voted against the Bill:—

Allen, H. O.	Pembroke.
Allen, W. S.	Newcastle-under-Lyme.
Anstruther, Sir Robert	St. Andrew's Burgh.
Barclay, J. W.	Forfarshire.
Barnes, A.	Derbyshire, Chesterfield.
Beaumont, H. F.	York W.R., Colne Valley.
Bickersteth, R.	Shropshire, Newport.
Bickford Smith, W.	Cornwall, Truro.
Biddulph, M.	Herefordshire, Ross.
Boyd Kinnear, J.	Fifeshire, East.
Brand, Hon. H. R.	Gloucestershire, Stroud.
Bright, Rt. Hon. John	Birmingham, Central.
Brown, A. H.	Shropshire, Wellington.
Buchanan, T. R.	Edinburgh, West.

Caine, W. S. . . .	Barrow-in-Furness.
Campbell, R. F. F. :	Ayr Burghs.
Cavendish, Lord Edward	Derbyshire, W.
Chamberlain, Rt. Hon. J.	Birmingham, W.
Chamberlain, R. . .	Islington, W.
Corbett, A. Cameron .	Glasgow, Tradeston.
Corbett, J. . . .	Worcestershire.
Courtney, L. H. . .	Cornwall, Bodmin.
Crossley, Sir S. . .	Suffolk, Lowestoft.
Crossman, Sir W. . .	Portsmouth.
Currie, Sir Donald . .	Perthshire, W.
Davies, D. . . .	Cardigan.
Dixon, G. . . .	Birmingham, Edgbaston.
Ebrington, Viscount .	Devon, Tavistock.
Elliot, Hon. A. D. . .	Roxburghshire.
Elliot, Hon. H. F. . .	Ayrshire, N.
Fairbairn, Sir A. . .	York W.R., Otley.
Ferguson, R. . . .	Carlisle.
Finlay, R. B. . . .	Inverness Burghs.
Fitzwilliam, Hon. W. J. W.	Peterborough.
Fry, Lewis , . .	Bristol, N.
Goldsmid, Sir J. . .	St. Pancras, S.
Goschen, The Rt. Hon. G.	Edinburgh, E.
Grant, Sir G. Macpherson	Elgin and Nairn.
Grey, Albert G. . .	Northumberland, Tyneside.
Grove, Sir T. . . .	Wilts, Wilton.
Gurdon, R. T. . .	Norfolk.
Harker, W. T. . .	York W.R., Ripon.
Hartington, Marquis of .	Lancashire, N.E., Rossendale.
Hastings, G. W. . .	Worcestershire, E.
Havelock-Allen, Sir H. .	Durham, S.E.
Heneage, The Rt. Hon. E.	Great Grimsby.
Henry, Mitchell . .	Glasgow, Blackfriars.
Hobhouse, H. . .	Somerset, E.
Howard, H. C. . .	Cumberland, Penrith.
Jacks, W. . . .	Leith.
James, Rt. Hon. Sir H. .	Bury.
Jardine, Sir R. . .	Dumfriesshire.
Jenkins, Sir J. . .	Carmarthen District.
Kenrick, W. . . .	Birmingham, N.

Kitching, A. G. . .	Essex, Malden.
Leatham, E. A. . .	Huddersfield.
Lubbock, Sir J. . .	London University.
Lymington, Viscount .	Devon, South Molton.
Macintosh, C. Fraser .	Inverness-shire.
McIver, L. . . .	Devon, Torquay.
Maclean, F. W. . .	Oxford, Woodstock.
Maskelyne, M. Story- .	Wilts, Cricklade.
Mildmay, F. . . .	Devon, Totnes.
More, R. Jasper . .	Shropshire, Ludlow.
Noel, Ernest . . .	Dumfries Burghs.
Pitt-Lewis, G. . .	Devon, Barnstaple.
Quilter, W. C. . .	Suffolk, Sudbury.
Ramsay, J. . . .	Falkirk Burghs.
Ramsden, Sir J. . .	York W.R., Osgoldcross.
Richardson, T. . .	Hartlepool.
Robertson, H. . .	Merioneth.
Rothschild, Baron F. de .	Bucks, Aylesbury.
Ruston, J. . . .	Lincoln.
Rylands, P. . . .	Burnley.
St. Aubyn, Sir J. . .	Cornwall, St. Ives.
Salis-Schwabe, Col. G. .	Lancashire, S.E., Middleton.
Seely, Col. C. . .	Nottingham, W.
Sellar, A. Craig . .	Lanarkshire, Partick.
Stafford, Marquis of .	Sutherland.
Sutherland, T. . .	Greenock.
Talbot, C. R. M. . .	Glamorganshire, Mid.
Taylor, F. . . .	Norfolk, South.
Thompson, Sir H. Meysey	Lincolnshire, Brigg.
Trevelyan, Rt. Hon. G. O.	Hawick Burghs.
Vivian, Sir H. Hussey .	Swansea District.
West, Col. W. Cornwallis	Denbighshire, W.
Westlake, J. . . .	Essex, Romford.
Wiggin, H. . . .	Staffordshire, Handsworth.
Williams, J. P. . .	Birmingham, South.
Wilson, J. . . .	Edinburgh, Central.
Winterbotham, A. B. .	Gloucester, Cirencester.
Wodehouse, E. R. . .	Bath.
Wolmer, Viscount . .	Hants, Petersfield.

According to the *Times*, Mr. Grafton, who was absent from illness, and six other Liberals who walked out of the House—viz. Messrs. Blades, Cobbold, Cozens Hardy, R. Davies B. Hingley, P. McLagan—had all publicly declared their opposition to the Bill. Thus there was a total of exactly 100 Unionist Liberals. Besides these, the Liberal Unionist Committee were aware of others, such as the Right Hon. C. P. Villiers and Mr. Hamar Bass, who were prevented from voting either way on that occasion, but who shared their views.

APPENDIX III

Lord Goschen's diary records the incidents of this great catastrophe from the side of Downing Street. The story should also be told from the side of the City. There had been much unrest there during the month of October. A great speculative movement was in course of adjustment. There had been a collapse in South American securities, and it was known that some large houses had been weakened. The unrest extended into November. Early in that month the Bank rate was raised to 6 per cent., and it was known that the Directors were taking special steps to strengthen the gold reserve. £1,500,000 in gold had been obtained by the sale of bonds to the Russian Government, and through the intervention of Lord Rothschild the Bank of France agreed to lend the Bank of England £2,000,000 in gold for a definite time. But beyond these storm signals and vague rumours nothing was known. The financial world only learned of the Baring crash on November 15. They learned on the same day that provision had been made to meet it, and that the crisis was over. But, in the meantime, the Bank of England and one or two of the foremost men in the City had passed through a trying time. As early as October 13 the house of Baring had sought and obtained a considerable loan from a great house. On November 11 the Governor of the Bank, who was in communication with the Chancellor of the Exchequer, consulted Mr. Bertram Currie, a partner in Glyns, financial member of the Council of the Secretary of State for India, and admittedly the first authority in the City on banking questions. The Governor told Mr. Currie of the Baring difficulties, and said

that the Chancellor of the Exchequer required to be assured of the practical solvency of the firm. He asked Mr. Currie to look into their affairs. Mr. Currie, in conjunction with Mr. B. B. Greene, a past Governor of the Bank, undertook the task, and on November 14 they reported to the Governor that, as far as the limited time permitted, they were of opinion that the assets of the firm showed a substantial surplus. On the afternoon of that day Mr. Currie was summoned to the Governor's rooms in the Bank, where he met the leading authorities among the Directors. The Governor communicated to his colleagues the purport of the report of Mr. Currie and Mr. Greene, and stated that he was prepared to recommend the Bank to undertake the liquidation of the Baring estate, opening a guarantee fund with a large subscription from the Bank. Mr. Currie followed with a large subscription. Lord Rothschild and other leading men were interviewed the same afternoon, and by six o'clock more than £3,500,000 had been guaranteed. The joint-stock banks met the Governor on the following day, and the guarantee fund was increased to £18,000,000. The Bank and the great London firms stood shoulder to shoulder, and the crisis was averted without aid from the Government or question of suspending the Bank Act.

APPENDIX IV

The late Mr. Alexander Low Bruce

The following letter from the House of Commons, dated November 29, 1893, was sent by Lord Goschen to the *Scotsman* :—

'Sir,—Will you allow me to express in your columns my deep sense of the immense loss which the country has sustained by the death of my dear friend, Mr. A. L. Bruce?

'The large circle who knew him intimately as a personal friend can best bear witness to his lovable and most unselfish nature, and to the confidence he inspired as a man who would shrink from no trouble or sacrifice in the service of others to whom he felt attached. But his private virtues were not those to which I am most anxious to testify.

'It is to his conspicuous devotion to the public service in many directions that I feel impelled to draw attention, and all the more on account of that extraordinary modesty which always

induced him to shun the notoriety which to many is a reward of their labours. Your Scottish readers are best aware of the enthusiasm with which he threw himself into the Unionist cause, of the magnificent liberality with which he gave proof of his earnestness, of the unstinted measure in which his time and his energies were always at the disposal of that cause. But he was far more than a partisan, far more than a politician. He was the most ardent champion of the civilising and lofty duties which he conceived to be part of the traditions of his country, and no one threw himself with more ardour into the missionary work in East and Central Africa, which, in his view, was so indelibly connected with the name of his father-in-law, Livingstone.

'I speak with no exaggeration when I say that, in my long course of association with public men, I have known few who to so special an extent combined most spirited action with extraordinary modesty, and determined courage with sweetness of temperament. He goes to his grave with no insignia of honour, no rewards bestowed upon him by his countrymen, because he never sought them; but he will be mourned by all who knew him, as one of the best of citizens and one of the best of men.'

APPENDIX V

The Unionist Free Trade Club was brought into formal existence at a meeting held at Devonshire House, December 1, 1904, and the first Annual General Meeting was held on April 10, 1905, at the Westminster Palace Hotel, the Duke of Devonshire, President, in the Chair. Amongst those present were the following: Earl of Lichfield, Earl of Lytton, Viscount Cobham, Viscount Goschen, Lord Balfour of Burleigh, Lord James of Hereford, Lord Avebury, Lord Robert Cecil, Lord Kinnaird, Lord Monteagle of Brandon, Lord Stanmore, Lord St. Levan, Lord Crawshaw, Right Hon. C. T. Ritchie, M.P., Hon. A. D. Elliot, M.P., Right Hon. Sir John Gorst, M.P., E. F. Hatch, M.P., Right Hon. H. Hobhouse, M.P., Hon. F. W. Lambton, M.P., Sir John Dickson Poynder, Bart., M.P., C. H. Seely, M.P., Sir Hugh Shaw-Stewart, Bart., M.P., H. Crawford Smith, M.P., R. A. Yerburgh, M.P., Hon. John Biddulph, Sir W. Chance, Bart., Sir Cameron Gull, Bart., Right Hon. Sir A. Lyall, G.C.B., Sir James Miller, Bart., Sir F. Pollock, Bart., Sir Charles Ryan, K.C.B., Hon. William Sidney, Hon. FitzRoy Stewart, W. E.

Ball, J. W. Barclay, J. Moore Bayley, F. Jeffery Bell, H. Bentwich, R. A. H. Bickford-Smith, W. G. Black, A. Bonham Carter, E. Broadhurst, H. W. Brooks, G. J. Brown, N. Paton Brown, E. G. Brunker, H. H. Burne, G. E. Bush, Frank Calvert, Henry Calvert, W. W. Carlile, Holroyd Chaplin, E. S. Cocks, W. V. Cooper, G. Corderoy, F. S. W. Cornwallis, G. H. Couch, A. M. M. Crichton, Major Darwin, W. E. Darwin, H. Dorée, Lewis Edmunds, K.C., Mrs. Fawcett, E. Foster, J. Gurney Fox, C. D. Gairdner, F. N. A. Garry, T. G. P. Hallett, B. Hammond, S. Hutchinson Harris, Lieut.-Col. E. Harvey, E. A. Haws, W. Heaps, H. Houlder, S. W. Hunt, C. J. Hurst, Graham Hutchison, F. Huth Jackson, R. Jobson, E. Law, H. T. Law, S. Le Blanc Smith, Major Le Feuvre, S. H. Leonard, A. Lasenby Liberty, T. Mackay, W. R. Malcolm, A. Mann, F. H. Manners-Sutton (*Secretary*), W. Mathieson, H. McLaughlin, M. Mort, James Mowatt, T. H. Morris, H. O. Newland, John Nixon, E. Noel, Albert Pell, W. P. W. Phillimore, W. W. Phipps, A. Pye-Smith, J.P., E. G. Raphael, H. W. Reynolds, J. H. Robb, H. James Robinson, H. Russell, Hugh E. Seebohm, Major-Gen. Shaw-Stewart, H. H. Shephard, W. Shepherd, F. Snead, James Sorley, J. St. Loe Strachey, J. A. Theobald, H. F. Tiarks, J. Foster Vesey-Fitzgerald, K.C., E. Wakefield, G. Warner, J. W. Weigall, Professor Westlake, Mrs. Westlake, F. T. Whinney, W. G. Wilde, and R. D. Wilson.

Letters of apology and sympathy with the objects of the meeting were received from the following amongst others: Right Hon. Lord George Hamilton, M.P., Earl of Abingdon, Earl Cowper, Earl of Ducie, Earl of Stamford, Viscount Ebrington, Viscount Peel, Viscount Portman, Lord Belper, Lord Wimborne, Lord Biddulph Lord Dunglass, T. Gibson Bowles, M.P., R. F. Cavendish, M.P., A. Cameron Corbett, M.P., A. Cross, M.P., Col. Denny, M.P., Hon. G. Goschen, M.P., W. Murray Guthrie, M.P., E. Hain, M.P., Sir John Stirling Maxwell, Bart., M.P., J. A. Morrison, M.P., Austin Taylor, M.P., Sir F. Wills, Bart., M.P., Sir Hugh Bell, Bart., Sir T. Fowell Buxton, Bart., Professor Dicey, Sir H. Fairfax-Lucy, Bart., Sir W. ffolkes, Bart., Right Hon. Lewis Fry, Right Hon. Sir Edward Fry, Sir David Gamble, K.C.B., Dr. Hodgkin, Sir John Jones Jenkins, Sir H. Peto, Bart., Sir Colin Scott-Moncrieff, K.C.M.G., and Sir Charles Seely, Bart.

On the motion of Lord Monteagle of Brandon, seconded by Mr. Frank Calvert (Preston), the following officers öf the Club were unanimously elected for the ensuing year :—

President.—The Duke of Devonshire, K.G.

Vice-Presidents.—Lord George Hamilton, M.P., Lord Balfour of Burleigh, Lord James of Hereford, the Right Hon. C. T. Ritchie, M.P.

Hon. Treasurers.—Lord James of Hereford, Lord Avebury, Lord Biddulph.

On the motion of Lord Stanmore, seconded by Mr. F. S. Cornwallis, the following were elected to form the *Executive Committee*, with its Chairman, viz. :—

Executive Committee.—Chairman: The Hon. A. D. Elliot, M.P.; R. Cavendish, M.P., Lord Robert Cecil, Major Darwin, Right Hon. Sir John Gorst, M.P., Sir W. Cameron Gull, Bart., E. F. G. Hatch, M.P., Right Hon. H. Hobhouse, M.P., F. Huth Jackson, Hon. F. Lambton, M.P., S. H. Leonard, Earl of Lichfield, Earl of Lytton, Sir J. Mackay, G.C.M.G., W. R. Malcolm, Sir J. Stirling Maxwell, Bart., M.P., G. F. Mortimer, Sir John Dickson Poynder, Bart., M.P., Sir Frederick Pollock, Bart., Harold Russell, Hon. W. Sidney, J. St. Loe Strachey, Sir Hugh Shaw-Stewart, Bart., M.P., Austin Taylor, M.P., G. H. Ward-Humphreys. Lord Hugh Cecil, M.P., was added the following year.

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